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2 August 1984

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TATU EXAMINES EAST-WEST RELATIONS, DETENTE

Paris POLITIQUE INTERNATIONALE in French Summer 84 pp 53-64

[Article by Michel Tatu, LE MONDE editorial writer and former correspondent (Moscow, Eastern Europe, Washington) and head of its foreign bureau, as well as author, among other publications, of "Le Pouvoir en URSS [Power in the USSR]", Grasset, 1967; "Le Triangle Washington-Moscou-Pekin et les deux Europes [The Washington-Moscow-Peking Triangle and the Two Europes]", Casterman, 1972; "La Bataille des Euromissiles [The Battle Over the Euromissiles]", Editions du Seuil, 1983: "Demythifying Detente"]

[Text] The first question that should be raised, before evaluating the present relations between the East and the West, is the question of their importance. Is it vital, and if so for whom, to seek to improve relations with the USSR? Is the rupture, or rather the semi-rupture, of what has been called "detente" with Moscow an event that is decisive for international stability?

The answer depends on a single condition: yes, the East-West relations are decisive--for everyone--if the question of war and peace on the planet depends on their status; no, if we start from the principle that any military confrontation, at least between the two "blocs" of the East and the West, is made impossible by the nuclear risk and if what is necessary is done to maintain that situation. The question of detente or nondetente can then be examined more calmly, on an essentially political level, apart from the frustrations and the fears that too often accompany discussions of this kind.

If the answer is actually somewhat less simple, this preliminary question is nonetheless necessary in order to clear up certain arguments that have been spread in a self-satisfied manner in recent times. Since the installation of NATO's Pershings and other missiles in Western Europe, Soviet leaders have been pouring out, publicly as well as privately, not only lamentations, but also alarmist warnings; to listen to them, the Western rebalancing and, in a general way, President Reagan's arms policy, "increase the danger of war" when they do not directly "lead" to it. The political tension, or quite simply the absence of detente, must be considered seriously, because they can result in catastrophe.

These warnings are scarcely surprising, and not only because Moscow is thus seeking once more to distance a "bellicose" American government from its

"reasonable" European allies. The Soviet Union, since its beginnings but especially since Khrushchev and Brezhnev, has been a power seeking to make its own "place in the sun" in a world that is led by "the others," which has a need to be recognized as a full partner in international affairs. Since it has hardly any instrument at its disposal other than military force, it must use it by threatening with a conflict those who would decide to ignore it. Let us add to this the old tendency, which is as much Russian as Soviet, to seek not only the esteem, but the "love" of the outside world--including the love of the peoples it dominates--if only to shore up a vaguely-postulated legitimacy. It is thus by trying to impose on its Western partners a sweeping dialogue--even on questions that fall within their domain alone--that the Kremlin hopes to extend its influence, especially in the Old World.

Now, this tendency is akin to a relatively strong opinion movement, right in Europe, that has other reasons behind it. The Judeo-Christian concept of human relations that forms the substratum of Western societies wants the dialogue to have a higher value than its subject, wants it to be an end in itself, just as much as it wants it to succeed. In this perspective, no problem can and no problem should remain without solution from the moment it is tackled by negotiators of good faith; and that concept also attributes the same virtue to the negotiator on the opposite side: to deny it to him would in fact amount to a show of bad faith, thus repudiating fundamental values. In the end, and always within that concept, if my government rejects dialogue or simply fails in a negotiation, it must be wrong in that refusal or failure; in any case, it must persevere, in the name of the principle according to which dialogue is preferable to confrontation, and--better still--is the only alternative to confrontation (let us recall the arguments of the 1970s: "There is no alternative to detente.") Whence comes the importance given to the /climate/ [in italics] of East-West relations, especially by the media. The words exchanged between governments are generally interpreted in terms of "detente" or "tension," the former being "good for peace" and the latter being capable of "leading to war." And this presentation fits very exactly with the Soviet arguments described above.

The Climatic Illusion

Now, if there is any notion that should be removed immediately from any analysis of East-West relations, it is certainly the notion of "climate." First, because the climate has never been right, at least in the sense that is generally meant in the West, between the USSR and a Western power. In the best of cases (between Stalin and Roosevelt at the end of the Second World War; between de Gaulle and Brezhnev at the end of the 1960s; between Nixon and Brezhnev in 1972-1974), the usual polemics against the capitalist power that has become a partner are suspended by Moscow, but criticism for all that does not give away--or not much, if at all--to praise. And official silence is accompanied by a policy of increased isolation for the average Soviet citizen, because he must not believe for one minute that ideological vigilance has come to an end and that he can associate with impunity with a capitalist. In the best cases, then, the basic "strangeness" of the system remains and no strengthening of human contacts is observed (which, however, according to the Judeo-Christian concept, should be the inevitable and desirable consequence of any dialogue and any rapprochement).

Conversely, the "bad" climate deplored here and there has just one very relative value: by registering the virulent epithets with which the Soviet press favors President Reagan in recent times, we come to forget that his predecessor, Jimmy Carter, was not much better off*. If the same fate is reserved for the more or less pacifistic evangelist, for the man who wanted to remove American forces from Korea before giving up the neutron bomb, as for the present President, who launches "star wars" after invading the island of Grenada, it is really because the subtleties have hardly any meaning and because the "climate" of East-West relations does not have to be considered decisive.

Generally, Judeo-Christian concepts are already hard to adapt to the handling of relations between these "cold monsters," the states. A fortiori, they are no longer adaptable at all where East-West relations are concerned, as long as the part played by ideology remains the determining factor in Soviet behavior. This is what accounts for the fundamental dichotomy that drives the Kremlin's leaders to divide the world into two officially irreconcilable camps, one of which must one day win the victory, to reason in terms of "them" and "us." Their attitude rests on the idea that they get the power: "us," it is our system, which belongs to us and over which we exercise total control. "Them," that is the rest, which escapes our control and which consequently can only arouse hostility and distrust--or covetousness. In this sense, the problem is not so much one of "East-West" relations (although the "West" as the strongest pole of resistance or allergy to communism, is the principal adversary and rival), as one of the relations between the Soviet empire and the rest of the world. And the famous formula of Clausewitz, "War is the conduct of policy by other means," must be reversed here: in this case, "policy is the conduct of war by other means."

The idea of "confidence" has hardly any meaning, therefore, in such a context. To believe, for example, as people did shortly after Stalin's death and in the periods of "detente" that the conclusion of an accord on any subject will immediately create "dynamics" making it possible to sign new accords, that the confidence restored by an initial success will bring other successes with it, illustrates a state of mind that is widespread in Western public opinion but has no counterpart in the East. Not that a concrete accord is held to be impossible or undesirable there, but simply because such an arrangement will only be judged on its own merits there; it will have to produce tangible benefits and its inconveniences will be supported as long as the "change in balance of power" (a key formula of Soviet strategy) does not require a better accord.

Not Underestimating Either Human Rights or East-West Trade

This demythification of the notion of climate may seem rather negative. It nevertheless includes consequences that should rather be revealed as positive

*We note, for example, what Constantin Tchernenko said about Jimmy Carter on 15 February 1980: "He sees in arms the principal American asset, the decisive argument in motivating Washington's pretensions to dictate its will to countries and even entire regions that are coveted for some political, military or economic reason or other, by American imperialistic circles." And again in August 1980: "These positions (Carter's) illustrate the aspirations of American imperialism for world domination, military superiority....It is a hostile, indeed a provocative policy, not very compatible with normal relations between states."

for proper management of East-West relations. With it, in fact, two other factors that traditionally weigh heavily on those relations must be, if not eliminated, at least seriously minimized.

The first concerns /human rights/ [in italics]. This is not to deny their importance, but rather the opposite, to say that they are at the heart of the differences between the East and the West; that it is because of human rights that the communist world's relations with the other powers will never be what they are between France and the FRG, for example (nor even like the relations between the great Western democracies and countries like Chile and South Africa, which only oppose each other on some of the principles of social life, and not on all or nearly all of them, as is the case with the USSR). But, for precisely that reason, this difference in "kind" should be held separate from what is believed necessary in East-West relations. If a particular negotiation is judged desirable with respect to Western interests, it must be capable of being conducted no matter what is happening elsewhere, with the understanding that the "climate" will never be ideal and that "confidence" will never be part of the agenda.

Naturally, this principle cannot be set up as an absolute rule. On the one hand, because the Western governments, sensitive to the pressure of their public opinion, cannot ignore the most serious misdeeds committed by the Soviet authorities and really have to follow up on the diplomatic level. On the other hand, because it would not be right if the Kremlin's leaders were to conclude that they can do whatever seems right to them in this area. This was the meaning, for example of the Sakharov affair in the spring of 1984. This is really why, just as the doctrine that would institutionalize a "tie" (linkage) between diplomacy and human rights has hardly any meaning where East-West relations are concerned, so it would not be very judicious to officially substitute for it a doctrine of "nonlinkage."

A "blow-by-blow" reaction, without a doctrinal stand being taken, is preferable, but without forgetting that these climatic twitches are only one-time affairs, and that they lose even more of their value if they are too often repeated. Seeing the way in which the West forgot, after sulks that lasted from a few months to 3 years, the Soviet interventions in Hungary and then Czechoslovakia, how it resigned itself to the occupation of Afghanistan, to the repression in Poland and the near-liquidation of dissidence in the USSR, it must really be said that the West's periodic fits of indignation are no longer credible. It would be better to admit right away that there is nothing surprising about Soviet behavior, considering the system in effect in the USSR, and that relations with her will continue, at least on all subjects considered essential by the West.

The importance of trade as an instrument of foreign policy must also be relativized. In the first place, experience has shown that this "weapon" is a very difficult one to handle: sanctions are agreed upon with difficulty (and easily circumvented) by those partners in perpetual competition, the Western economies; they cannot last more than a few months and consequently are tied in with the climatic and incredible demonstrations mentioned above; finally, they "punish" everyone, the seller as well as the buyer, especially in conditions of economic crisis in which even a restrained market (and the markets of the East never

exceed 5 percent of Western sales) can make the difference between staying afloat and bankruptcy, between a supportable employment level and unemployment.

In fact, the use of trade as a political weapon goes against the principles of political neutrality and free competition which are its only valid foundations (trade does not have to be "moral"; it is even less moral, in any case, than politics, which itself is much less moral than it is claimed to be). Besides, this "weapon's" effectiveness has been continually denied by the facts: flourishing trade does not prevent aggression (everything was going well in that respect between France and Germany in 1914, between Germany and Russia in 1941, on the eve of the opening of hostilities between those countries); conversely, political tension does not inevitably curb trade, as witness today the satisfactory level of the trade between the USSR and Western Europe, despite the "dangers of war" evoked by Soviet propaganda.

For the lack of connection between politics and trade is even more pronounced in a totalitarian system such as that of the USSR. This observation is paradoxical insofar as the Soviet leaders, having all the levers in their hands, economic as well as political levers, for the social life, should be more inclined than others to subject trade to the effects of their political bad humor. But to do that would be to create a dangerous precedent (confidence is not an empty word in business, as it is in diplomacy) and to go against their own interests. In the opposite direction, it was naive to hope that the material advantages of economic cooperation might change the behavior of the masters of the Kremlin, and eclipse in their minds the even more seductive charms of military power and domination. If it is hard for economic trade to be a "weapon of war," as some Reaganites seem to have envisaged it, neither is it the "weapon of peace" dear to Samuel Pisar. The experience of the last 10 years, from the Afghanistan detente through the SS 20s, is sufficient demonstration of this.

Reconsidering the Game of the Carrot and the Stick

It is even necessary to go still farther and ask oneself if the old quarrel of "the carrot and the stick" should not be re-examined (after all, the Kissinger-Nixon stimulation policy--the carrot--and the policy of sanctions preferred by Reagan--the stick--are two complementary aspects of the same attitude). Although it is one thing to resist Soviet oppression or encroachment (or even to punish--or threaten to punish--on the same terrain, by deterrence), to claim to change Soviet behavior /in general/ [in italics] by alternating stimulation and sanctions is another. Such an ambition would illustrate the ignorance of the fundamental strangeness that separates that system of government from all the others. It would then lead to the risk being run of very serious miscalculations in the practical application, on the basis of a misreading of the system's internal operation.

Applied to any other regime, in fact, good sense would want a policy of conciliation and stimulation (the carrot) to encourage the "moderate" elements of the leadership--the "doves" against the "hawks"--and vindicate the partisans of a real detente with the West against the "hard-liners" on ideology or the industrial apparatus who are inclined to feel a greater distrust toward the outside world. Now, although a distinction--a hypothetical one--can be made between the various Politburo members, it has no bearing on either the general philosophy (the USSR must extend its influence and score points, everyone is in

agreement on that) or even on the attitude toward the foreigner (first distrust and then cooperation, for the good of the system and only insofar as it is compatible with maintaining the system), but it has a bearing solely on the evaluation of the risk accompanying any Soviet encroachment. In these circumstances, it is the Western partisans of the "carrot policy", those are looking the hardest for conciliation or accommodation who take the most risks; for, in the Kremlin, they encourage the reckless against the prudent, those who say, "They are not reacting, we can continue" against those who warn, "Watch out! They might get angry in earnest." Carter, the evangelist had to face the Soviet interventions in Ethiopia and Afghanistan, Nicaragua's going over to the Soviet-Cuban camp and the invasion of Cambodia by Vietnam. Reagan did not have to deplore anything except his own initiatives (in Lebanon, for example) and no one has been able to talk about new Soviet encroachments or a new "front."

Redefining the Foundations of East-West Relations

If East-West relations are to reserve no place for the climate and the least possible place for human rights and trade, what can they usefully deal with? It seems to us that there must be three principal areas.

Control of Crises

This subject is generally not discussed much, in the East or the West, whereas it is the most important and even probably the only decisive factor. The major risk of world war is not, and undoubtedly will not be for a long time, that of a direct confrontation between the two systems and their respective alliances, but the involvement of each of the two superpowers in a local crisis and the escalation that might be brought about by an uncontrolled slide in that crisis.

In the face of this danger, it is reassuring to note that both powers share the same preoccupation. America has been the first to seek a dialogue with Moscow every time an important conflict involved its interests or a Soviet role (notably during the 1973 war in the Near East); for its part, the USSR, in the name of the principle according to which everything that is not under its control is deserving of distrust, has always reacted slowly and circumspectly to crises that were not of its own making. This was seen recently in Lebanon where, obviously making no bones about exploiting the Westerners' embarrassment, in their own best interests and those of their allies, the Soviet leaders avoided any risk of direct confrontation with them. And there is nothing to make us think that Moscow today would refuse to get together with Washington if the same kind of crisis arose anywhere in the world--this despite the bad "climate" and the absence of official dialogue between the two capitals.

Perhaps, on this point, it is necessary to go beyond what already exists with the "red telephone" and strengthen the technical contacts between the general staffs. The risk of an "accidental" war seems, these days, to be less tied in with the uncontrolled departure of a missile or a plane than with an escalation of the successive conditions of alert provided for in the armed forces of both camps, each stage shortening a little more the deadlines for implementation, and gradually causing the temptation to arise for a preemptive strike--or the fear of one--(and Soviet doctrine is known to provide more or less explicitly for the idea of preemptive attack the moment war appears to be "inevitable.")

The visibility, which is clearly greater today, of these conditions of alert, does not mitigate the risk; on the contrary, the intensification of activities and military deployments in a camp can only worry the other side more and drive it to take the next step in the condition of alert. It also seems to be desirable for the political mechanisms operating ~~in~~ with the help of the "red telephone" find corresponding mechanisms on the military terrain, so that the goals, like the limits, of any activity may be clearly outlined.

Arms Control

Arms control remains an important aspect of East-West relations, but the setbacks met with in that area in recent years should also lead to a re-examination. The subject has come to monopolize the whole terrain of these relations, whereas by giving it a more modest place and giving preference instead to a diversified dialogue on local conflicts and crisis control, more of a contribution would undoubtedly have been made to the relaxing of tensions.

In the West, too much hope was put in the arms discussions, as if they were in themselves the cause of the tensions (which is only partly true), indeed the principal risk of war (which is even less true). In addition, the growing diversification of the weapons systems--and the knowledge of who has them--, the proportions of equivalencies and dissymmetries, force the negotiators to focus on heavy "packages" of increasingly complex proposals which are increasingly difficult to revise, not to mention the inevitable problems raised by the verification of the agreements to be concluded. But, despite these growing obstacles, one side of public opinion, in the West, sees in these negotiations the panacea that would not only revise detente, but would take the place of security in the same way as the participation in the Atlantic alliance. It was only one step from there to asking the Kremlin for "permission" to defend against the weapons the Kremlin has deployed--this time without any negotiation--and that step was taken in the Euromissiles affair.

Also, one can only support the voices recently raised to suggest a reduction in the too-exclusive importance granted to the arms talks, and also to simplifying them. For the formula of highbrow "packages" of complex proposals should be substituted the search for agreements on a few simple principles: reduction of stockpiles (the build-down proposed by American Congressmen with President Reagan's agreement offers interesting prospects in this regard); renunciation of the expansion of the arms race to new areas (but it seems it is already too late for the space race); and, as we have said, the exchange of precise information on the respective conditions of alert. But, in any case, the "vacuum" created by the Soviet withdrawal from the Geneva negotiations on these subjects should not be considered a catastrophe. After all, it is more useful--and certainly less fruitless--to seek to know the Soviets' intentions in Central America or the Near East than to ask them to give up their SS 20s.

Relations with the "Satellites"

Another area of application of East-West relations is that of relations with other communist bloc countries. Although its "nuisance value" vis-a-vis Moscow is somewhat diminished, China remains an obligatory stopping-off point in any triangular diplomacy; but at least an equal interest should go to the Eastern

States of Europe which, despite their condition as "satellites," are playing a not inconsiderable role in that same camp.

It is probably in large part to pressure by the GDR, by Hungary, by Romania and a few other countries in the region that we owe the Madrid accord, the Stockholm conference--all of them things that Moscow would have been glad to adjourn to demonstrate its bad humor over the Pershings--and, more generally, the fact that a good level of dialogue and cooperation continues in Europe.

In addition, and without having to be necessarily as explicit as Vice President Bush was during his tour of Eastern Europe in 1983, a policy of privileged relations with the less dogmatic countries of the communist bloc encourages those countries in their resistance to certain Soviet pressures, relieves their economies and profits their populations. It is also a useful introduction to a potentially more fruitful dialogue with the USSR, however little anyone wants to admit that it is better to begin with the satellites, and not the reverse, as has been too often said; before he had his "big summit" with Brezhnev in 1972, Richard Nixon visited Romania, Yugoslavia and China; Francois Mitterrand kept Moscow waiting while he went to Hungary.

The only question that cannot receive any kind of answer, however, has to do with these same satellites: how can the West act to make the systems of these countries and that of the Soviet Union itself change? Is there any hope of seeing them free themselves from Kremlin guardianship, and thus end the division of Europe?

Let us not delude ourselves. If the profound desire--albeit unproclaimed and even subconscious--of every Western policy can only aim at the reversal (rollback) of a system so foreign to freedom, it must really be admitted also that any recent change is pushing in the opposite direction. The West not only ceased long ago any attempt at changing this system in the USSR as well as in the empire, but it no longer even desires that change. What we know of the overarming of the USSR, of its leaders' stubbornness in clinging to the smallest parcel of their power and their empire, of the rapid crumbling of the whole system to which the "revisionist" temptations or accidents are leading, leads us to think that the major risk of war is precisely there, in the suicidal burst of energy in which a Politburo at bay would seek safety. Rollback is less than ever a policy; it is no longer a slogan, or even a temptation. Instead, it would be frightful.

Also, it seems preferable not to lock East-West relations into a doctrine in advance. Holding back (containment) is still on the agenda, of course, although the official proclamation of this slogan has not prevented serious "advances" of communism in several countries. It would be better to substitute for it the obvious principle of resistance to aggression, it being understood that such resistance will be all the more effective because it will be deployed over the same terrain as the aggression. For the rest, one may be permitted to doubt that the proclamation of a "clear," "coherent," "global" doctrine on the subject of East-West relations, which is periodically demanded from their governments by certain university people and other "opinion makers", constitutes the best answer to the problems being posed. All politics being the art of the possible, such a doctrine would condemn its authors to deviate from the proclaimed goal

very quickly--moreover, proclaiming it alone would already set off a wave of criticism (encouraged by Moscow) before it began to be executed. This is also forgetting that the Western societies, by virtue of their structure and also because they content themselves with a status quo that is not too unfavorable to them, do not have, and will probably never have except rarely, the initiative against the communist superpower. In fact, only the USSR openly challenges that status quo with the others, and sees in expansion the source and the proof of its legitimacy. Reaction to these undertakings can only be conducted "blow by blow", with no possibility of resorting to any other global formula other than determination.

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LEFT SOCIALISTS SEEK TO PURGE PARTY OF 'LENINISTS'

Copenhagen INFORMATION in Danish 13 Jun 84 pp 1, 12

[Article by Emc: "Wilhjelm Leads Purge Of VS (Left Socialist Party)--Gathers A Chosen Few For Final Showdown With 'Leninists'"]

[Text] Former member of parliament Preben Wilhjelm is leading an attempt to "make a real effort to save the party."

"If we choose to follow the trend--for the sake of convenience here called 'Leninists'--(sorry, Vladimir Il'ich.), then we also choose to, at the same time, reduce the party to a sect with much less than a one percent voter constituency," writes Wilhjelm in a letter sent to 14 important members of the Left Socialist Party, among them four of the five current members of the party's members of parliament.

The fifth--who was not invited to the "attempted rescue" operation's first meeting last Wednesday--is Elisabeth Bruun Olesen.

Bruun Olesen sympathizes with a faction that organizes the "Leninist" party, earlier the so-called "Union Fellow List." ("Professional Activist list") sic ("Faglig Faellesoste")

Wilhjelm tells INFORMATION that the first meeting was promising in that all who had been invited reacted positively to the appeal and that there will be an attempt to intensify the efforts.

"But as yet, we are far from decided on what methods to use," says Wilhjelm.

"Clarification is needed to emphasize that 85 percent of the party's membership--according to my understanding--is united about some rather fundamental matters, in regard to what I would like to call Left Socialism. This applies first of all to the attitude in the debate about Democracy and Socialism."

Wilhjelm makes it clear in his invitation that he finds the course the party has taken since its last congress "quite catastrophic." "It reveals a trend in the party's development which is deadly for Left Socialists," he says.

If he can hope that a new congress can produce a different result, it is because he thinks he could mobilize "old Left Socialists" both within and

outside the party who have given up and no longer participate in what he calls the "Congress Party."

"It was due to demands for action and first and foremost to the atmosphere," says Wilhjelm.

At the last congress Preben Wilhjelm and Klaus Birkholm submitted a resolution on democracy and socialism which was voted down.

"That was a step backwards" says Wilhjelm, but he thinks he can reverse the decision and get support from some of the party members if he expresses himself more clearly next time. And if all those who voted for the resolution that passed instead can admit that it has not brought peace to the party.

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Good Choice

Wilhjelm admits that the group's efforts cannot proceed "without unrest and negative publicity in the press." But that is also the reason why he feels it is necessary to undertake the attempt now--a short time after the general elections are over and done with.

"The general elections demonstrated that we have stable resources to draw on and that many were inclined to give the party another chance. But that is unlikely to happen again," says Wilhjelm.

Among the methods he mentions in his introduction is the fight for "conditional membership for sympathizers and earlier members."

Wilhjelm sees nothing odious in his selection of a handpicked group in a party that has factional independence.

"Manipulation between the factions does not save the party. Everyone agreed to that at the meeting," says Wilhjelm.

He envisions a "clarification" of the party's constitution which will make the "Leninists" leave the party. He does not consider expulsions useful in this situation.

The following fourteen were invited to Wilhjelm's meeting on Wednesday: Keld Albrechtsen, Klaus Birkholm, Else Dombernowsky, Jacob Erle, Vibeke Fenslov, Steen Folke, Anne Grethe Holmsgaard, Martin Jespersen, Jorgen Lenger, John Reynolds, Erik Siegsgaard, Ebbe Sonderiis, Sten Thinning and Mikael Waldorff.

PAPANDREOU'S 'ANTI-AMERICANISM' LEADING TO IRRATIONALITY

Athens I KATHIMERINI in Greek 5 Jul 84 p 5

[Text] Prime Minister Papandreu does not want us to belong to the West, but to the East. He does not want us to participate in NATO's defensive organization, hence he does not want this defensive organization to be so "persuasive" that it acts as a deterrent factor to the spreading of Soviet sovereignty in Europe. From there begin and end all the prime minister's "exhortations" about a "multidimensional" foreign policy and struggle on behalf of world peace; so "multidimensional" that he never detects any "correct position" on the part of NATO, and so "peace-loving" that no peace pleases him except that which serves Soviet interests!

Papandreu talks about a nuclear arms "freeze" and denuclearized zones though he knows too well that both slogans have been invented by Soviet propaganda and are promoted as appropriate every time a new western weapon threatens to neutralize the Soviet arms superiority.

This happened--to stay just in the last decade--with the construction of the "neutron" bomb, when the gathering of 20,000 Warsaw Pact tanks at the West German borders exposed the meagerness of NATO's conventional forces in Europe. Later there were the Pershing and Cruise missiles, following the deployment of triple-war-head SS 20's (a total of 999 nuclear war-heads) which could annihilate in 15 minutes all the large European cities, as well as the fixed U.S. missile bases located at that time on European soil.

The success of the guided mobilizations against the "neutron bomb," with President Carter's refusal, in the end, to allow its construction, encouraged Soviet propaganda-makers to think it could have the same success with the deployment of Pershing 2 and Cruise missiles. This time, however, a fundamental difference operated at the expense of Soviet ambitions: The European governments agreed nearly unanimously on the deployment of the Pershing 2 and Cruise missiles though they had rejected the initiative for production of the neutron bomb, as Carter had asked them to do. And not simply agreed; they themselves asked for their defense to be organized with these technologically advanced nuclear weapons, following the deployment of the Soviet SS 20's and the Kremlin's refusal to remove them.

By championing a "pacifistic" abandonment of the Pershing and Cruise missiles without a simultaneous destruction of the SS 20's, Papandreu is defending Soviet

supremacy in Europe. And, in working for a missile-free Balkans, he is working simply for the creation of "vacuums" in the Atlantic Alliance. Since only the naive--and Papandreu is not naive--could believe that any Warsaw Pact country will bind itself with agreements for it not to be armed which are contrary to the arrangement of Warsaw Pact offensive weapons made by the Soviet general staff.

The role which Papandreu has chosen to play in the bosom of the western alliance--which is hostile to him--serves, of course, his party's interests, as he himself understands. But it does not serve our country's interests, nor those of world peace, about which he is ostensibly lamenting.

Our country will be literally destroyed if it becomes a battleground between the two worlds. While world peace, which will only come from trust being restored between the two camps, so that they stop being "camps," is not being promoted with aphorisms like those Papandreu makes: The western world is a "snake pit" while the eastern world simply deviates occasionally from its "good-natured" historic course. These words throw oil on the fire. They do not extinguish it!

Papandreu's repeated "concurrences of opinions" with all the Moscow-controlled officials conversing with him--and only with them--have, of course, a good side which actually serves our national interests. They dispel all existing doubts about the present government's pro-Soviet stance, and about its decision to serve the Kremlin's international ambitions by exploiting a feeling of anti-Americanism which still lives in the Greek people's minds.

But "anti-Americanism" does not also mean irrationality. It does not mean that because the U.S. ambassadors once acted as instructors of our domestic policy the Greek people will now entrust similar prerogatives to the Soviet ambassadors. Those experiences are precisely what prescribe the failure of Papandreu's ambitions.

9247

CSO: 3521/294

WEST'S REACTION TO PASOK'S 'EASTERN OVERTURE'

Athens I KATHIMERINI in Greek 6 Jul 84 pp 1,3

[Excerpts] It is believed that Papandreu's "eastern overture"--certified with his visit to Prague and East Berlin which follows on the anti-western and pro-Soviet positions the government has been taking on big issues--will hamper relations between Greece and the United States and West European governments, in a period in which the country especially needs its traditional international supports.

This opinion was expressed by political observers reviewing Papandreu's visit to Czechoslovakia and East Germany; they noted, on one hand, the displeasure of the western governments and the EEC and, on the other, the satisfaction produced in the prime minister's eastern conversers by the reiteration, sometimes directly and sometimes indirectly, of his now well-known anti-western positions.

Western Interest

Papandreu's visit to Prague and East Berlin has aroused a general interest among the West European governments. It is characteristic that, during his meeting on 5 July in East Berlin with the diplomatic corps, Papandreu had private conversations with the U.S., West German and Soviet ambassadors.

It is pointed out that the interest of the West European governments is not targeted only on the Euromissiles issue in relation to the prime minister's visits. West Germany is particularly interested in the agreement for judicial assistance which Papandreu may sign today in East Berlin.

EEC's Interest

In addition, the European Community is showing special interest. As our correspondent in Brussels, K. Iordanidis, communicated, an EEC source expressed the opinion that the community procedures for concluding agreements between member countries and third countries were not followed for the long-term economic co-operation agreement between Greece and Czechoslovakia which was signed on 4 July in Prague. It is noted that a comparable agreement will be signed today with East Germany. And we are reminded that claims about community procedures not being followed were made by the EEC in 1982 during the signing of the corresponding agreement with the Soviet Union.

Papandreu's visit to East Berlin will end today with a new meeting with East German President Honecker. During this meeting the long-term, ten-year agreement for industrial, commercial and technical cooperation will be signed, as will partial agreements in the scientific, educational and technological sectors, as APE [Athens News Agency] reports in a dispatch. Papandreu and the ministers accompanying him will return to Athens this afternoon.

EEC Reactions

As concerns EEC reactions to the Greek-Czechoslovak agreement, our correspondent in Brussels, Kostas Iordanidis, communicates the following:

The Greek Government did not faithfully follow the provided community procedures governing the concluding of agreements with third countries, stated a reliable European Committee source on 5 July, referring to the technological and scientific agreement between Greece and Czechoslovakia signed during Prime Minister A. Papandreu's recent trip to Prague.

The same source noted that the Greek Government submitted the plan for this agreement to the Cooperation Committee only last Tuesday, 3 July, and as a result the committee did not have sufficient time to examine how much the terms of this agreement conflict with the Community's rules and conventions in force.

According to official quarters, the Cooperation Committee "expressed its sorrow" over the Greek Government's tactic which has created an unfavorable impression in EEC circles. As a result of the new Greek "oddity," the committee will have to examine and decide *a posteriori* if the related agreement is in keeping with the things in force in the Community.

9247
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PASOK SEEN FACING POLICY IMPASSE

Athens I KATHIMERINI in Greek 28 Jun 84 p 5

[Article: "In Search of...the Crowd!"]

[Text] When the former deputy minister of national defense, Mr Petsos, was persecuted by PASOK, this column was of the opinion that it is those who remain in Mr Papandreu's ranks, rather than those who desert them, who should worry for their political futures.

This was neither an oppositionist euphemism nor words of comfort to those who departed, accompanied by "socialist" insults and humiliation. It was espoused for a very logical and correct reason: Those who disagree with the government line and the party's activities because they consider them antidemocratic, nationally dangerous and inconsistent with initial announcements, are entitled to respect, as opposed to those who stubbornly defend their mistakes.

That the policy of PASOK is such a "mistake" is proven by the daily, downhill progress in all sectors, and the gradual weakening of the ability of Mr Papandreu and his closest collaborators to maintain their calm and the dignity of their titles. They know that all will go from bad to worse without the slightest hope of improvement. The type of political, social and economic regime that they agreed to establish in exchange for today's authority provides moral and material allowances for no one but the party oligarchy, no matter which route they take in order to succeed in their aim.

Before the 17 June elections, the government could resort to its 48 percent in the 1981 elections in order to support the argument that all protests against its policy are "cultivated" by the opposition and the plutocracy, since the government itself has the consent of half of the population to exercise precisely this policy. Now it cannot use the same "alibi." Now it cannot deny that the ranks of its supporters are thinning, because of the effects of its actions on national productivity and the life of the working people. Consequently, it is predicted that as long as the new policy continues, the number will increase of those from the higher to lower "floors" of PASOK's structure who will hasten to abandon it so that it will not collapse on their heads.

How will Mr Papandreu resist becoming angry when he witnesses this development? Witness, indeed--unable to react, since abandoning the "socialistic transformation" would mean abandoning his own personal ambitions, and this would result in open attacks from the parties that continue to hold that socialism without nationalization and without the elimination of private enterprise is "pure" capitalism--a dead end!

It is a dead end for all those who declare their concern for the national interest and the interests of the working people, while giving absolute priority to their ambitions and their sentimental impulses. It is also a dead end for those who plead historical justification by their persistence with the "recipe" rather than taking lessons from history in order to ensure the best possible outcome.

12542
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POLITICAL

GREECE

PAPANDREOU-PASOK DEPUTIES MEETINGS AIMED AT RELAXING TENSIONS

First Programmed Meeting

Athens I KATHIMERINI in Greek 19 Jul 84 p 1

[Excerpts] In an attempt to relax the tensions caused by intraparty strife and dissatisfaction, Mr Papandreu set up yesterday a series of meetings with 15-member groups of PASOK deputies. The first such meeting, which took place yesterday at the prime minister's offices, included 16 deputies from various regions.

An official party communique stated that there was a free and satisfactory exchange of views between the deputies and the prime minister, who expressed his satisfaction.

Political observers note, however, that the choice of deputies present at the meetings, as well as the priority of each deputy's participation, are defined by the party's political bureau. They also stress that no party representative is present at the meetings, which take place only between the deputies and Mr Papandreu.

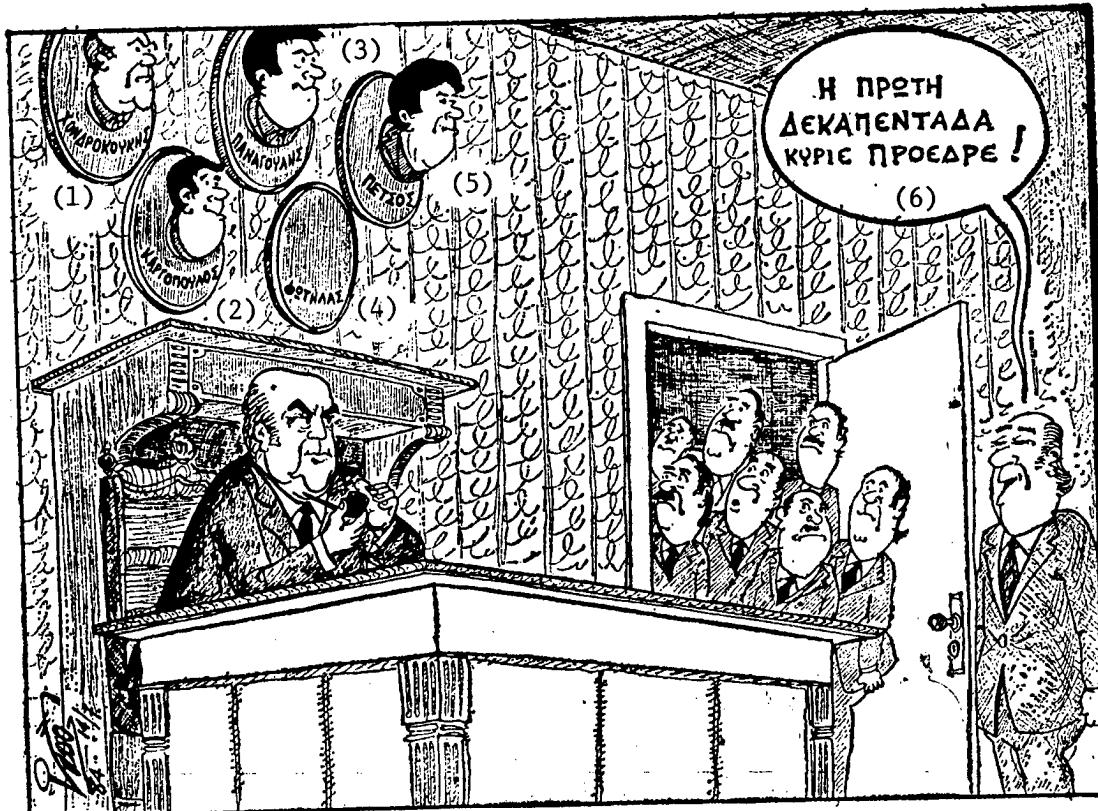
It is believed that this selective participation is aimed at blunting criticism and at "guiding" it, as much as possible, in the desired direction. On the other hand, the fact that no party representative is present at the meetings is regarded as an attempt to appease the deputies, who attribute most of the blame for the result of the elections to the activities of party members.

At the beginning of yesterday's meeting, the prime minister emphasized that deputies have been elbowed aside and underestimated, and that he has decided to reinstate their prestige and their responsibilities. He carefully listened to what the deputies had to say.

However, this pro-deputy move by the prime minister did not convince a number of deputies, or, at least, this is what some of them said after the meeting. They argued, in the first place, that Mr Papandreu has made the same statement to many other parliamentary groups belonging to his party, and has even given his statements much publicity. Secondly, they stressed that the prime minister has already assigned the task of presenting a report on the election results to a committee formed by members of the PASOK executive office.

Comment on Meetings

Athens I KATHIMERINI in Greek 19 Jul 84 p 1



Λιγά ομάδες των 15, και κατ' ίδιαν, επιχειρείται ο κατευνασμός των βουλευτών του Π.Α.Σ.Ο.Κ.
(7) (Τής Βάσως Χρουσκάη).

KEY:

1. Khondrokoukis
2. Kargopoulos
3. Panagoulis
4. Fotilas
5. Petsos
6. The first 15-member group, Mr Prime Minister!
7. The prime minister is attempting to appease PASOK deputies in 15-member groups.

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POLITICAL

GREECE

BIOGRAPHIC INFORMATION OF ND EURO-DEPUTIES

Athens I VRADYNI in Greek 19 Jun 84 p 5

[Excerpt] Who's Who: The ND 24.

Today I VRADYNI is presenting the 24 ND candidates for the European Parliament with brief biographical sketches.

I. Tzounis

He was born in Bucharest in 1920. He is a graduate of the Athens University Law School. He was appointed attaché at the Foreign Ministry in 1947. He served successively as vice-consul in San Francisco, director of the press bureau at the Washington embassy, head of the section for bilateral economic relations in the Foreign Ministry, embassy counselor and charge d'affaires in Moscow, embassy counselor in London, director of Turkish affairs in the Foreign Ministry, ambassador to Ankara, for some 6 years, director general for political affairs at the Foreign Ministry, and ambassador to Washington until September 1981. He left the foreign service in January 1982 because he had served his 35 years.

D. Evrygenis

He was born in 1925 in Salonica and is a professor in the law school there. He studied law at the University of Salónica and the University of Paris, English comparative law at the College of the City of London [as published], and international law at the Academy and Research Center of International Law in the Hague.

He was elected deputy at-large on the ND list in 1974 and served as deputy minister of education and religions from November 1974 until February 1975.

E. Khristodoulou

He was born in Larisa in 1932 and received an M.S. in economics from Columbia University. He was director of ETEVA [National Investment Bank for Industrial Development], chairman of the administrative council of Olympic Airways, and from 1979 to 1981 president-governor of the National Bank. Treasurer of the Konst. G. Karamanlis Archives Foundation, he is a member of

the administrative council of the Vouros Foundation, president of the Infants Center "Mother," and a member of the administrative council of the Greek Society for the Protection and Rehabilitation of Crippled Children.

P. Lambrias

He was born in Athens in 1926. He studied law in Athens. He worked as a journalist on the newspapers EMBROS, ESTIA, ORA and as editor-in-chief of the magazine EIKONES. Director of the newspaper MESIMVRINI from its foundation (1961), he was editor and director of the English-language magazine GREEK REPORT in London. ND deputy for Athens district A (1974-1977), he served as deputy minister to the premier from 1974 to 1977 and as secretary general of the Greek Tourist Organization (1977-1981). Director of the newspaper MESIMVRINI (1981-1983), he was the first runner-up on the ND list of candidates for the European Parliament in 1981.

G. Anastasopoulos

He was born in Kifisia in 1935. He studied law in Athens and did graduate work in European comparative law at King's College in London. He also attended seminars on new methods and the new technique in journalism at the Medill School of Journalism, Northwestern University, in the U.S. He entered journalism in 1953 as editor of KATHIMERINI. He has worked on the newspapers MESIMVRINI, ETHNOS, AKROPOLIS, NAVTEMBORIKI, and VRADYNI, among others.

After the dictatorship, he became director general of the Athens Press Agency (1974-1981), and in 1983 he became director of MESIMVRINI.

M. Giannakou

She was born in 1951 in Geraki, near Sparti. She studied at the Medical School of Athens University. Active in EREN [National Radical Youth Union], she became a founding member of ONNED [Youth Organization of the New Democracy]. In 1976 she organized the congress in Athens of the European Union of Christian Democratic and Conservative Youth Groups and Student Organizations. One of the primary editors of the ONNED newspaper DIMOKRATIKI PROTOPORIA.

In 1979 she was elected a member of the party's administrative committee at the Khalkidiki congress and becomes a member of the international relations and youth sections. She has often represented ND at international congresses.

K. Gerondopoulos

He was born in 1956 in Alexandroupolis. He graduated from the Athens Medical School and today specializes in gynecology. In 1974 he joined ONNED, in its university section. During the period 1976-1977 he was a member of the ONNED central secretariat for schools. In 1978 he was elected to the ONNED central secretariat for universities and to the central council of

DAP-NDFK [Democratic Renewal Vanguard--New Democracy Student Movement], a position which he retained until 1980. From 1976 to 1980 he was a member of the administrative council of Athens Medical Students, and for the 2 years 1978-1980 he was a member of the central council of EFEE [National Student Union of Greece].

12593
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POLITICAL

GREECE

ND URGED TO CHANGE POLICIES, LEADERSHIP

Athens I VRADYNI in Greek 23 Jun 84 p 3

[Text] But you did not comment on our own party.... Many readers of the column were calling me yesterday.

I will do it, continuing with my doubts today....

I wonder how the already-awakened, party-conscious people of Nea Demokratia did not finally lead the way to victory. I wonder why we stood unable to make good use of an unexpected, divine gift: the influx of youth into our ranks, a phenomenon observed for nearly the first time. What new patterns, which new "model" did we present to that enthusiastic youth?

And, finally, I wonder about the amateurish planning of our pre-election campaign. Although our staff at 69 Queen Sofia Street worked in a marvelous, organized manner, not one organ or group occupied itself with the psychological aspect of our campaign. Thus, while the unhesitant PASOK threw into the fray the awkward slogan "the people do not forget what right-wing means," we did nothing to put pressure on them, which would have been very easy. On the contrary, we plastered the walls with stupid and incomprehensible slogans, such as the one about roulette.

I do not know if and when our party mechanism, and many of our long-past politicians (who unfortunately constitute our party's establishment), will understand that balcony politics--the 10-drachma speeches in the vacant, verbose style and loud rhetoric--are no longer valid. What is needed today is the simple talk of the cafe and workplace and social gatherings in villages and cities. It is the convincing argument, the conversation, the illumination of substance and not the use of slogans. And of course, before all of this, we must convince our old-time politicians to go home.

Now is another chance for our side. Let us not miss it.

12542
CSO: 3521/289

POLITICAL

GREECE

LEFT'S POSITION AFTER ELECTIONS REMAINS UNCERTAIN

Athens TO VIMA in Greek 24 Jun 84 p 4

[Article by P. Stangos]

[Text] The change in the correlation of forces between the KKE and the KKE-Interior--at least at the level of the percentage which the two parties scored--is the basic factor in the outcome of last Sunday's Euro-elections within the camp of the traditional communist Left. And as is natural after all, precisely this change in the correlation of forces constitutes one pole--but of course not the only one--around which the inner-party activities in these two communist parties are turning.

At the start it should be noted that the percentages which these two parties received--the KKE with 11.64 percent and 693,304 votes, the KKE-Interior with 3.42 percent and 203,813 votes--were not surprising to hardly any political analyst, nor for the most part to the leaderships of the two parties, at least as concerns their expectations about what they themselves would receive rather than their "former comrades," who necessarily are "on the opposite bank."

A second factor in this area is the fact that both parties can refer--by using different scales--to numerical "gains." This fact helps to produce an essentially positive starting point for their own evaluation and "interpretation" of the electoral outcome.

Specifically, using as a yardstick the results of the national elections of 1981--and we do this on account of the special character of these Euro-elections as a political confrontation "on all the issues" strictly in the arena of domestic policy--both parties have noted an increase in their electoral strength: An increase of a "symbolic" character for the KKE of 0.71 percentage points (73,002 votes more), and an impressive increase for the KKE-Interior, within the given context, of 2.08 percentage points, which corresponds to 127,409 votes extra and to a more than 2.5-fold increase in its forces.

But these scores remain superficial, given that this approach does not reflect the problems of the political choices which confront these two parties the present time.

For the KKE, there is certainly the problem of the conflict in the assessments of the electoral outcome on the part of the leadership (which in soberly pondering the issues had kept roughly within the range of the final electoral outcome in its predictions) and on the part of some of its rank and file, its members and adherents (who were expecting a significant increase in its percentage of votes and who at the same time were hoping for the "disappearance" of the KKE-Interior).

There is also the unsettled problem of how to interpret the fact of the losses, although numerically small, suffered by the party in those electoral districts which have been exceptionally strong ones for the communist movement--those of the large urban centers, such as in the Athens first and second districts, Piraeus first and second districts, and in Salonica.

The electoral outcome for the KKE--which depending on the manner and the political starting point in approaching it can be characterized either as "another chronicling of the constancy of its effect" on the people, or else as "a chronicling of its stagnation and paralysis"--raises the question of whether such an appeal ensures that it will be able to play a more decisive role in the formation of political developments in the immediate future.

And this question perforce also entails a second one: Aside from the polarization, to what extent is the political line which this party has followed (that is, of cautious opposition to the PASOK government and of avoiding extreme oppositionist moves, codified as a "moratorium") responsible for the determination of its appeal?

In any case, the KKE--which not only has not given aid to PASOK, as the New Democracy Party tried to "convey" prior to the election with an obvious objective in mind, but has struggled laboriously to preserve its forces--must confront also the unresolved political issue of the proposal of a "minimum program" for the "cooperation of all the forces of the Left" which its general secretary, Kharilaos Florakis, formulated in his speech at Constitution Square. At last it has been given, through the mouth of the premier, the negative "answer" of PASOK, which is insisting on the "self-sufficiency" of the present administration.

The leadership of the KKE is confronting these problems "unhurriedly," and for the present the party is in a phase of collecting and analyzing the results of the Euro-elections. This activity will constitute also the basis for reaching final political conclusions and for setting its course in the coming period.

It was learned that the plenum of this party's Central Committee, which was expected initially to be convened sooner, is scheduled to meet next weekend or the following one, so that all the prerequisites can be present for an in-depth analysis and, subsequently, a conclusion as to the choices of this party at the political and organizational level.

In any case, according to reports the analyzing of the electoral outcome will be focused on an "investigation" of the causes which led the New Democracy Party to the relative strengthening of its forces. And also it is expected that a "more severe language" will be used toward the government, with the heart of this being the government's "timidity" and "backslidings," as well as its insistence on the "logic of self-sufficiency."

In any case, from the columns of its news organ the KKE has already opened up a political front in the direction of the government: The criticism in advance as to the possibility of modifications in the government's policy which are aimed at an image which is more "centrist in tone."

"Climate of Euphoria"

But if the outcome of the Euro-elections is being treated with restraint and with a certain caution in the KKE, a "climate of euphoria" has developed in the KKE-Interior, and this has been the spark for a "stirring about" in all the sectors.

"Smiles are appearing on our lips again," a leading officer of the party said characteristically, "following the repeated traumatic experiences which we have had since 1974...." And in fact, this kind of talk reflects not only the subjective attitude of officers, members, adherents, and friends of the party, but also the fact that objectively the KKE-Interior has in many ways "come out well" from the outcome of this electoral confrontation.

In "gaining" the lion's share from the criticism by those on the left of PASOK, as well as gaining from the manifestations of dissatisfaction with the "tone" and "nature" of the methodology imposed by the polarizing character of the political confrontation, the KKE-Interior has at the very least won the beauty contest: In terms of the logic of the percentages, at least, it has managed to avert its own "disappearance" from the political stage, it has changed in its own favor the correlation of forces between it and the KKE (this has gone from a ratio of 1 to 8 to a ratio of 1 to 3.4), and it has clearly distinguished itself as the fourth political party.

In the first post-election plenum of its Central Committee which took place last Tuesday evening, the basic decision was made that the efforts of the party should be directed toward taking organizational measures to safeguard its increased political influence. These include, for example, the realizing of "commitments" also to sympathizers outside the party and to non-aligned persons on the Left who have helped the party in the election campaign, the preserving of the electoral committees while changing the content of their work, and so forth.

But according to reliable reports, a more significant decision was the one on moving up the convening of the next party congress (also because of the possibility of early elections, it is stated). This was originally planned for May 1985; the fixing of a new date for holding this congress will be done at the next plenum.

But already a "ferment" has begun about a problem which had risen in the past as well concerning the political-ideological image of the party, with all the ramifications which this entails also at the organizational level, as well as with respect to its name.

Specifically, at this moment there are keen deliberations under way within the leadership of the party as well as within the principal body of its officers about whether or not it has become a necessity at last for the KKE-Interior to develop further into an agency "which can express the unity of all the forces of the Left," as it is formulated at the present, "but which will preserve its Euro-communistic orientation as the backbone of this party."

Surely such a development requires a "broad consensus" within the party; but be that as it may, this issue will be decided on at its next congress.

In any case, in the immediate future the KKE-Interior will open up a "major battle-front" on the political level which will include the diptych of charging PASOK with "hegemonism" and with the use of the "logic of self-sufficiency," while at the same time making a "political proposal of unity to the people." The spearhead of this political struggle as well as of the proposal for cohesion will be a demand for instituting the system of simple proportional representation in the national elections, and for a substantial democratization in the mass news media.

The results of the Euro-elections for the two parties of the traditional communist Left--separately for each one, but also as a whole--constitute an important ramification in determining the nature of the map of this country's political forces, but at the same time they may also be a starting point for developments which in the foreseeable future could modify the identity of the Left.

This heading toward a process which could lead to the formation of a political agency for the broader Left, in conjunction with the repercussions which this would have on the KKE, may perhaps acquire a historical importance also with respect to future political developments in the country as a whole!

12114
CSO: 3521/288

DETAILED ANALYSIS OF EUROPARLIAMENTARY ELECTION RESULTS

Athens TO VIMA in Greek 24 Jun 84 p 17

[Article by I. K. Pretenderis]

[Text] What conclusions can be reached from the recent electoral outcome? In the matter of the Europarliamentary elections held on 17 June, a comparison should be made with the parliamentary elections of 1981. The reason why this should be done is not only because the Euro-elections acquired a "national importance" and were conducted "on all the issues," but also because the simultaneous conducting of the two elections in 1981 changed the objectively less important elections into a "second preference vote." Frequently this vote was made use of--as is shown also by the results--in a way different from the first vote.

But in any case, notwithstanding that a comparison with the parliamentary elections of 1981 is called for, we must keep in mind that the magnitudes involved are not absolutely identical. The elections of 17 June had no immediate repercussion on the sovereignty of the present government, and the voter knew this. But to what extent the vote was ultimately biased is a matter of conjectures which can be confirmed or refuted only in the next parliamentary elections.

The Conclusions

But there are certain indisputable conclusions.

First: In the elections of 17 June the percentage of those abstaining from voting was not only significantly increased in relation to the previous elections, but it even reversed a falling trend which had prevailed since 1974. Thus, in 1974 the abstention figure was 20.5 percent, in 1977 it was 18.5 percent, in 1981 it was 18.1 percent, and now, in 1984, it has risen to 22.92 percent. The difference between the 1984 level and that of 1981 comes to 4.82 percentage points. In other words, if the abstention figure had been maintained at the 1981 levels, about 340,000 more voters would have cast ballots on 17 June.

In an election which was decided by 200,000 votes, this sum is not insignificant. The limited institutional importance of the elections, the

much-debated indecisiveness of the voters, and the heated character of the election campaign perhaps induced a number of people "to go fishing."

But who benefited and who lost from this increase in abstentions?

In former times the prevalent impression was that abstentions hurt the Right and benefit the Left, which has more "disciplined" voters. But in other European states, it has turned out to be pretty much the case that abstaining mainly hurts the government and benefits the opposition, regardless of who is governing and who is in the opposition. The voter more readily goes to the ballot box to voice criticism than to express support. Of course, it is difficult to confirm that something similar happened on 17 June in Greece.

Secondly: In overall percentage, PASOK lost 6.49 percent. These "defections" are distributed almost equally to the Right and the Left.

Thus, the gains by the communist Left amount to 2.79 percent (0.71 percent for the KKE and 2.08 percent for the KKE-Interior), with the Right gaining almost the same. The net gain by the ND is 2.18 percent, but there should be added to this also some 0.78 percent representing an apparent shift from the ND to the extreme Right, which the former party has offset by other votes from the direction of PASOK.

In addition, PASOK's losses also include 0.32 percent from the "green-related" movements which are "challenging" it, the ESPE and the ASKE [expansions unknown] (0.14 percent and 0.18 percent), while on the whole a small increase was noted also by the small parties of the Center, from a level of 1.61 percent in 1981 to 1.88 percent in 1984. Finally, the extreme Left "beyond the KKE" (EKKE [Revolutionary Communist Movement of Greece], EDE [Workers Internationalist Union]) are seeing a quadrupling of their percentage, from 0.10 percent to 0.44 percent.

Finally, everybody divided up "the garments of PASOK," but nobody got the lion's share.

Two Observations

We make two observations:

The so-called "attrition of the government" is not necessarily or solely the reason for shifts of voters. These shifts are likely to indicate also a "homecoming" of citizens to their natural political camp, after they performed their "duty" vis-a-vis the "here and now" of the Change in terms of the 1981 situation. It is worthy of note that the results for the two communist parties are very close to the average of the parliamentary and Euro-parliamentary results which they achieved in 1981--that is, 11.88 for the KKE and 3.32 percent for the KKE-Interior.

The two large parties did not function as "communicating vessels," where the losses of the one are converted automatically into gains for the other.

The ND is cashing in on only a part of the falloff from PASOK, and PASOK is losing much more than what the ND has been able to gain.

Of course, this initial general picture varies according to nomes and according to electoral districts.

Of the country's 56 electoral districts, both PASOK and the ND saw a decline in 18 of them, both show an advance in one district (Rethymni), and in another one (Samos) PASOK has advanced and the ND has declined. In the remaining 30 districts the ND shows an advance (even though a small one) and PASOK a decline. With very few exceptions (such as for example the nomes of Rodopi and Evvoia, where on the whole the Right is receiving the lion's share of the falloff from PASOK), in each electoral district we encounter the same picture of dispersal which the general results gave us.

The Indices for PASOK

PASOK's decline is large in the urban electoral districts: Its losses are 9.73 percent in the Athens First District, 9.10 percent in the Athens Second District, 9.78 percent in the Piraeus First District, 8.82 percent in the Piraeus Second District, and 8.73 percent in the Salonica First District. But its large losses are encountered not only there, but also in a "circle" of nomes which surround the area of the capital. Its losses are 9.63 percent in the Remaining Attiki District, 8.83 percent in Voiotia, 7.62 percent in Evvoia, 7.69 percent in Fokis, 6.79 percent in Fthiotis, and 7.75 [? original illegible] percent in Korinthia. As a rule, in most of the other nomes, the falloff from PASOK is lower than or near to the national average, with exceptions being Rodopi (- 19.13 percent) and the nome of Thesprotia (- 9.91 percent).

The districts where there was a large falloff from PASOK are usually also districts of smaller but important gains for the ND. To these we should add Xanthi (the ND's gains are 12.06 percentage points, almost totaling the high percentage which the KODISO-KAE [Democratic Socialism Party-Agrarian and Workers Party] had obtained in this nome in 1981), where the ND is receiving significant gains without PASOK having a corresponding decline.

The Advance of the KKE

The electoral results for the KKE are noteworthy. This party shows an advance in almost all the electoral districts, but the exceptions are just those districts where it has been strong traditionally. In these areas it is showing a relative stagnation (Lesvos--up 0.03 percent, Magnisia--up 0.05 percent, Northern Salonica--up 0.4 percent), or even a slight drop (Athens First District, Athens Second District, Piraeus First and Second Districts, Salonica First District). Of course, the KKE's advance in most of the provincial electoral districts can be attributed to an easing of the "climate of fear" which prevailed at one time outside the large urban centers and "red areas," as well as to the fact that the KKE, with its "heightened prestige," has been passing itself off to the voters as the "third partner" of the political system.

But the stagnation and the slight drop in the "spearhead" areas of the communist vote are more difficult to explain. It is very likely that the KKE has exhausted the stock of votes which it once had available in these areas, as happens also with most of the communist parties in Western countries. It is also probable that a process has begun of closing the "gap" which used to characterize and still characterizes the communist vote from area to area (there is a ratio of almost one to eight between the 3.74 percent in the nome of Xanthi and the 26.10 percent in Lesvos).

The other two smaller parties (KKE-Interior and EPEN [expansion unknown]) are showing gains everywhere, with these being more significant for the KKE-Interior in the urban centers and for the extreme-right EPEN in the provincial electoral districts. In any case, characteristic figures are the 7.05 percent for the KKE-Interior in the Athens First District and the 6.89 percent for EPEN in the nome of Kastoria.

Cities-Countryside

Thirdly: These observations are made more concrete and generally applicable when one examines the vote of the country's urban, semi-urban, and rural areas. In the urban areas, PASOK's decline is significant: This falls from 48.21 percent in 1981 to 39.4 percent. Slumping along with it here is the KKE as well, which has gone from 14.57 percent of the votes to 14.3 percent. These percentages represent gains by the ND, which moves from 30.90 percent to 35.8 percent, and by the KKE-Interior, which goes from 2.21 percent to 5.3 percent.

However, even in the urban areas the PASOK-ND margin (3.6 percent) is not smaller than the national average.

Where these two parties are competing "neck and neck" is in the semi-urban areas, where PASOK is amassing 41.2 percent of the votes (46.71 percent in 1981) and the ND is getting 40.9 percent (39.28 percent in 1981).

In the semi-urban areas the KKE also is seeing an advance: To 10.3 percent from 9.21 percent.

PASOK is managing to get a more significant margin in the rural areas: 43.8 percent (48.38 percent in 1981) compared to 39.6 percent for the ND, which remains almost stationary with regard to the 39.55 percent which it had received in 1981. And here the KKE has a small increase, with 9.4 percent instead of 7.98 percent which it had received in 1981.

Thus, we note that the ND has had a significant increase in votes in the urban areas, whereas its advance in the semi-urban and rural areas remains below the national average. On the other hand, PASOK's decline in the urban areas is a large one (with it having lost 8.80 percent of its former votes), but it is bearing up better in the semi-urban and rural areas.

In the KKE, here also a trend toward a closing of the "gap" in the variations among the communist vote from one area to another is being seen.

The KKE-Interior, with 5.3 percent of the votes in the urban areas, is beginning to constitute an appreciable political force in these sectors.

Men and Women

Fourthly: The parties can be divided into two categories: Those which are more favored by men, and those favored by women.

In the first category we have the KKE and EPEN, in the second PASOK, the ND, and the KKE-Interior.

The change which took place in these elections in relation to the 1981 elections concerns PASOK: It left the camp of parties which are more preferred by men and joined that of parties more favored by women. And this result follows because despite the fact that women had shown less preference for PASOK in 1981 (47.14 percent of the women had voted for PASOK compared to 48.83 percent of the men), nevertheless they have demonstrated greater constancy in their choice (40.8 percent voted again for PASOK, compared to 40.4 percent of the men).

On the other hand the ND, which in 1981 was the party above all others where women played a predominant role, is seeing a decline in this preponderance of the "fair sex" among its voters. In 1981 it had been the choice of 36.26 percent of the women and 33.28 percent of the men, whereas in 1984 this "gap" is closing, in that the ND is preferred by 38.3 percent of the women and 37.2 percent of the men. It may be that Averof "suggests strength," but this "strength" does not appear to have appealed to many women!

12114
CSO: 3521/288

POLITICAL

GREECE

MAVROS' POSITION IN EUROPARLIAMENT DISCUSSED

Athens ELEVATHEROTYPIA in Greek 24 Jul 84 p 9

[Article: "Outside the Group, So He Can Speak"]

[Text] According to reliable sources, Mr Georgios Mavros, who headed PASOK's ballot, will not be part of the socialist group in which the European Common Market deputies of PASOK participate.

This proposition was presented by Mr Mavros himself to the prime minister, Andreas Papandreu, who seems to have accepted it.

One reason why Mr Mavros decided not to be part of the socialist group is that being unenlisted gave him the ability to speak out frequently.

Part of the agreement, of course, is that Mr Mavros will, at least on important issues, take the position that the socialist group will adopt.

The typical independence of Mr Mavros (who in Strasbourg was welcomed as a European politician) from the ballot on which he was elected will constitute a new state of affairs in the Europarliament. Spinelis, who was elected through collaboration with the Italian Communist Party, participates in the Communist group. The difference is that because of the differing views that exist among the communists, this group does not meet frequently. In contrast, in the socialist group, which meets very frequently, an intense effort is being made to place together the Eurodeputies of the different parties who share similar views.

As his close associates say, however, Mr Mavros will not be going to Strasbourg very often.

12542
CSO: 3521/289

BRIEFS

PEACE DELEGATES TO MOSCOW--The president of the Greek Council for International Detente and Peace [EEDYE], Mr Alkis Argiriadis, departed for Moscow where he will participate in the international peace conference to be held 23 and 24 June. Also participating in the conference will be the mayor of Khania, Mr G. Katsanevakis, as a representative of the president of the Greek delegation for European security and collaboration, and Mr S. Agouridis, a professor of theology. Moreover, the EEDYE delegation will visit Sofia from 25-29 June where it will meet with the Bulgarian Peace Council. [Text] [Athens TA NEA in Greek 22 Jun 84 p 22] 12542

BULGARIAN SISTER CITY--A Three-person delegation from the municipality of Salonica departed yesterday for Plovdiv, Bulgaria, for the establishment of sisterhood between Salonica and the Bulgarian city. The city's mayor, Mr Theodoros Manavis, heads the delegation which also consists of the secretary of the municipal council, Mr Papoudi, and the president of the country, Mr Nicholas Kehagia. The visit will last for 4 days. [Text] [Athens MESIMERINI in Greek 23 Jun 84 p 3] 12542

PASOK ATTEMPT FOR BALANCE--Refraining from sensational actions is, according to all indications, being chosen as the best method to get through the first post-election period, a period characterized by the confusion which has broken out in the government and PASOK since the day after the Euroelections. Political observers consider it certain that, during the current period at least, both Papandreu and his close--"leading"--circle will avoid actions which directly or indirectly would reveal that the scale is tilting either in favor of the "conservative" wing of PASOK which desires, but also is demanding, a concrete and consistent "centrist overture," or in favor of the party's "Marxists" who are persistently pressing for more "leftist directions." The same quarter stresses that the predominance of such a tactic means: First, that for as long as this "desired ambiguity" is prolonged, no credible and effective government activation should be expected and, second, that the picture of imperturbable calm which they are trying to give to the government and the party is more the calm before the storm. In any case, it is stressed, the intense effort to stabilize the tendencies existing within the governing party does not refute--on the contrary, it confirms--the existence of internal party oppositions. [Excerpt] [Athens I KATHIMERINI in Greek 7 Jul 84 p 1] 9247

KKE (EXT) EURO-DEPUTIES--The KKE Three. A new face for the KKE in the European Parliament is Grigoris Farakos, member of the politburo and No 1 on the list. Farakos, however, will not stay in the European Parliament; he will resign shortly. Lawyer Vasilis Efraimidis was born in Pontos in 1915, is married, and has two sons. Next Euro-deputy on the KKE list is Kimitrios Adamou. Adamou was born in Pyrsogianni, near Konitsa, in 1914. He studied at the teachers college in Ioannina and is a journalist by trade. Alexandros Alavanos is 34 (he was born on Tinos in 1950). He studied economics in the Economics Department of the Athens University Law School. [Text] [Athens TA NEA in Greek 19 Jun 84 p 5] 12593

KKE (INT) EURO-DEPUTY--L. Kyrikos. Leonidas Kyrikos will represent the KKE (int) in the European Parliament for the second time. Kyrikos began his political career in 1961 when he was elected deputy for Irakleion for PAME [possibly Patriotic Antidictatorial Front of Greece]. He took part in the 1963 elections--and was elected deputy for Athens--with EDA. He was elected deputy for Athens with EDA again in 1964. After the breakup of the (united) KKE, he became active in the KKE (int) and became deputy for Athens in 1974. In the 1977 elections he was elected deputy with the "Alliance," of which the KKE (int) was part. Kyrikos, who was born in 1924 in Irakleion, Crete, was elected Euro-deputy for the first time in 1981. He is a member of the executive bureau's three-member secretariat. [Text] [Athens TA NEA in Greek 19 June 84 p 5] 12583

EPEN EURO-DEPUTY--Kh. Dimitriadis. Khrysanthos-Andreas Dimitriadis, who represents EPEN in the European Parliament, was born in 1933 in Salonica. He studied electrical engineering at the University of Milan and the National Technical University of Athens and did graduate work abroad. He was an assistant at the National Technical University of Athens, professor at the Skholi Ikaron [Air Force Academy], and technical counselor for the U.S. embassy. He is president of the EPEN executive secretariat. [Text] [Athens TA NEA in Greek 19 Jun 84 p 5] 12593

CSO: 3521/283

POLITICAL

NORWAY

CP CHAIRMAN KLEVEN ISSUES STATEMENT ON ALLEGED PARTY RIFT

Oslo FRIHETEN in Norwegian 21 Jun 84 p 4

[Article by Hans I. Kleven: "Letter to Members of the Norwegian Communist Party"]

[Text] Dear Comrade:

The party has been the topic of discussion in the press lately. This does not happen very often, but when it does, the object is usually to strike out at the party in some way or another. Unfortunately, it does happen on occasion that Norwegian Communist Party (NKP) members or former members directly or indirectly provide the press with the necessary information for such articles.

Since the postponement of further appointments to the central committee, deputy chairman and organization secretary, has created confusion and frustration among party members and sympathizers, we have chosen to address ourselves directly to you.

Our party is small in numbers and voter support. The wave of conservatism, the new anticommunist phenomenon that manifests itself whenever there is crisis and unemployment in capitalist societies, war preparations by U.S. imperialism and the deliberate suppression of Communist Party politics by the mass media are putting us Communists to the test. It can often be difficult to withstand this. However, in spite of it all, it is our adversaries who are active and they are the ones we are fighting. This is part of the class struggle. It is worse when the party turns on itself. Part of what has been most damaging to us are the internal conflicts and disputes, which in most instances have generally been personal rather than political and ideological differences.

The Norwegian Communist Party has lost many good supporters this way, which is unworthy of a communist party. And each and every one of us has a responsibility to prevent it. It is most regrettable that we are losing members and office holders who support the party's policies and ideology. We cannot afford this. We can only solve our differences in a productive manner as far as the party is concerned by means of open, objective and thorough debate.

We are all members of the party because we believe in it and want to support it as an instrument for the Norwegian working class in its struggle for peace, progress and socialism. The party is the only organization within the Norwegian labor movement that is based on a tenable theory--Marxism-Leninism. Our party has a clear and consistent position of international solidarity, namely international proletarianism, which has always been a basic NKP principle. And it is the only party with a real alternative to big capital and the conservative forces, both with respect to current and long-term and principle issues.

We are part of a big world movement, which is the most important force for peace and progress. This gives us strength and belief in the future of socialism in Norway as well.

It is this knowledge that makes us active members of the Norwegian Communist Party. This gives our lives a special and meaningful content. And it is this conviction, this we all agree on, that unites us in the Norwegian Communist Party. Hence, we are comrades, not just in words, but also in our relationship to each other.

The fact that we may otherwise differ on many things is another matter. The society in which we live and the world that surrounds us are complex and multifarious. We have many tasks and there are constantly new issues on which we must take a position. There will always be differences of opinion and debate in our ranks. This is both healthy and necessary and part of the democracy within our party. The same applies to our evaluation of the comrades we elect to positions of honor in our party, particularly leading positions of honor. The fact that we may differ about the qualifications of individual candidates suggested for this or that position is of no greater consequence in our party than in other political parties. They, too, discuss individuals, not least the Labor Party.

Therefore, we must not get confused or despair when it takes time to finalize the appointments to the party's central committee, although we had all hoped it would have taken less time. We have postponed this decision until the national party congress convenes 8 and 9 September. Based on the circumstances, we believe this was the right decision, not only because it would have caused considerable problems to call a meeting for 5 and 6 May (at which time the appointments were to have been made), but also to allow the special group appointed by the central committee to work in peace and quiet to come up with a proposal to unite the committee and thus create the equanimity we must have within the party itself to develop our policies.

The central committee unanimously agreed that this would be the most reasonable solution. And until the final appointments are made in September, national central committee members from Oslo, Akershus, Buskerud, Telemark, Ostfold, Vestfold and Oppland, as well as Trygve Horgen from Hordaland, will serve as the central committee. In principle, this has always been the practice during the period between the national congress and final appointments and has never created any problems.

Our opponents are the only ones to benefit from creating political differences or divisions that do not exist and have not been expressed.

We must repulse any attempt to put our comrades into categories and groupings. The national congress adopted unanimous resolutions. Most of the elections to the national central committee were unanimous. Nobody on this or previous central committees has requested any changes in the party's basic position nationally or internationally.

Hence, comrades, the basis for an objective evaluation of candidates should be in place so as to allow the central committee to make the appointments that will benefit the party.

Therefore, we ask you as a member of the Norwegian Communist Party to become actively engaged in counteracting the speculations about the party that appear in some newspapers.

If our party is to become big and influential some day, we must pull together and in the same direction. Let us help one another do that.

Have a good summer.

With greetings and a handshake,
the Norwegian Communist Party
Central Committee

Hans I. Kleven
Oslo, 19 June 1984

8952
CSO: 3639/130

POLL SHOWS PINTASILGO AHEAD IN PRESIDENTIAL PREFERENCE

Lisbon SEMANARIO in Portuguese 16 Jun 84 page unknown

[Text] NORMA/SEMANARIO Exclusive Poll

When the question is asked: "If elections were held for the presidency of the republic today, who among the names in this list would be in first place?", the Portuguese reply by giving Lourdes Pintasilgo almost double the margin enjoyed by Mario Soares and by giving Freitas do Amaral 60 percent more than that enjoyed by Mota Pinto. The Central Bloc continues to remain inauspicious in presidential terms. And the winner is a rejection of the six names proposed!

In considering a possible presidential election, Maria de Lourdes Pintasilgo is still in first place in NORMA/SEMANARIO's exclusive poll with 22 percent, followed by Diogo Freitas do Amaral with 14.1 percent, Mario Soares with 12.4 percent, Carlos Mota Pinto with 8.7 percent, Mario Firmino Miguel with 5.8 percent and Costa Bras with 1 percent.

These are the results obtained through field research conducted from 29 May to 11 June 1984.

Lourdes Pintasilgo drops 4.2 percentage points compared with the poll of a month ago but continues to hold the frontrunner position, winning easily in Evora, Lisbon and Porto among both men and women, in the various age groups and in all socioeconomic classes.

Diogo Freitas do Amaral drops 2.4 percentage points but continues to hold second position, which means that, if there were a second go-around at this time, he would remain in the running along with Pintasilgo. Freitas do Amaral is first in Vila Real, Viseu and Coimbra, second in Lisbon and Porto and weakening in Evora. He is double Mario Soares' margin among the women but a heavy loser among the male electorate. He is second in the A/B (high and high-middle) and C (low-middle) classes and third in the D (low) class. Mario Soares drops 1.4 percentage points in general, particularly in almost all the cities except Porto.

Results of Preference Poll--All Figures Given Represent Percentage Points

	Total		Cities					
	<u>May</u>	<u>June</u>	<u>Coimbra</u>	<u>Evora</u>	<u>Lisbon</u>	<u>Porto</u>	<u>Vila Real</u>	<u>Viseu</u>
Lourdes Pintasilgo	26.2	22.0	17.6	41.1	22.4	20.6	12.3	9.0
Freitas do Amaral	16.5	14.1	17.8	10.3	12.6	15.8	35.3	30.9
Mario Soares	13.8	12.4	9.9	10.6	11.9	15.1	10.1	5.5
Mota Pinto	8.2	8.7	7.3	5.4	9.3	7.6	10.8	10.8
Firmino Miguel	1.3	5.8	4.1	3.7	8.0	1.2	1.7	1.7
Costa Bras		1.0	0.8	0.7		3.8		
None on the list	24.9	25.9	33.1	18.2	26.8	22.0	16.6	41.1
No response	9.1	10.1	9.4	10.1	8.9	13.9	13.2	1.1

Continuation of Chart

	Sex		Age Group		Socioeconomic Class		
	<u>Male</u>	<u>Female</u>	<u>18 to 44</u>	<u>45 & +</u>	<u>A/B</u>	<u>C</u>	<u>D</u>
Lourdes Pintasilgo	17.8	25.7	21.4	22.5	27.0	18.0	31.0
Freitas do Amaral	8.8	18.9	10.5	17.3	14.7	15.0	4.2
Mario Soares	15.7	9.5	15.1	10.0	12.0	12.4	14.5
Mota Pinto	10.3	7.2	12.5	5.1	10.0	7.4	12.3
Firmino Miguel	7.9	4.0	5.6	6.1	7.9	5.4	0.5
Costa Bras	1.3	0.8	0.8	1.2	1.0	1.1	
None on the list	27.6	24.3	28.6	23.3	20.1	28.9	27.5
No response	10.7	9.7	5.4	14.5	7.3	11.8	10.3

Carlos Mota Pinto rose 0.5 percentage points, especially in Viseu and to some extent in Lisbon, but he dropped points in the other cities.

Meanwhile, it was particularly surprising that Firmino Miguel rose from 1.3 percent in May to 5.8 percent in June, coming closer to Mota Pinto. Firmino Miguel even climbs to 8.0 percent in Lisbon compared with 9.3 percent for Mota Pinto, and his potential supporters are more men than women, above 45 years of age and in the A/B classes.

Costa Bras goes from 0.0 percent to 1.0 percent, curiously with the main support showing up only in Porto (3.8 percent).

Another point worthy of mention is that the highest number of percentage points showed up among those who would not vote for any of the six names proposed. This figure went from 24.9 percent in May to 25.9 percent in June, thus for the first time exceeding the most popular candidate.

In general, this second NORMA/SEMANARIO poll on the presidential candidates emphasizes the disenchantment of the Portuguese concerning names which, theoretically, would cover a rather broad spectrum of the existing bipolitical class, shows Maria de Lourdes Pintasilgo's supremacy over the others, confirms the squashing of Mario Soares and appreciable support given to Diogo Freitas do Amaral--particularly when compared with the figures shown for Soares and Mota Pinto. And it raises a question concerning the marked rise in points of Firmino Miguel.

In May 1984, Pintasilgo with double the points given to Soares and Freitas do Amaral with double those of Mota Pinto pointed either to weariness on the part of the Central Bloc or out-and-out alternatives for the 1985 contest. One month later, this weariness is maintained or even worsened.

8568
CSO: 3542/71

COMMENTS ON FORMER PRESIDENTIAL AIDE GRANADEIRO

Lisbon SEMANARIO in Portuguese 16 Jun 84 page unknown

[Text] Contrast is often a qualified form of emphasizing a given point, in politics as elsewhere.

In this respect, Henrique Granadeiro was in the limelight for a week due to the contrast between the extremely poor presidential speech of 10 June and the political contents of speeches given by Gen Antonio Ramalho Eanes at a time when the former occupied the post of head of the civil branch.

Effective Leadership

With Henrique Granadeiro the president of the republic's civil branch enjoyed effective leadership; this was destined to disappear with his departure as ambassador in association with the OECD, thus precipitating the palace intrigues which some observers at the time attributed to presidential aide Joaquim Aguiar's desire to gain control. Since 1979, Granadeiro's spot was destined to remain in an interim state--sometimes real, at other times veiled (for example, with Fernando Reino and at present with Caldeira Guimaraes).

Speeches and Speeches

In Granaderio's era, presidential speeches were more cautious in content, resulting partly from the contribution of various outstanding advisers, notably Vasco Pulido Valente and Carlos Macedo. They were speeches, condoned or not, which denoted a period of a certain degree of presidential ascendancy. We may recall that of 25 April 1977 at the overthrow of the first socialist government or that of 25 April preceding the crisis of the second constitutional government. /The president wanted to intervene and his word had that power./ [in boldface]

Speech Without "Punch"

This was not the case with the presidential speech of 10 June which many attribute to the inspiration of Joaquim Aguiar. Moreover, few examples remain from Granadeiro's school in Belem--with distinction given to juridical adviser Macedo de Almeida. And Aguiar's influence signaled the most recent phase of the activity carried out by the president of the republic. With a

dense but hermetic speech. /The president wants to intervene and his word is incomprehensible./ [in boldface]

Granadeiro's Career

But Henrique Granadeiro did not remain idle, content with the contrast between former speeches and those of the present. He pursued his career--he is now president of the Vilalva Foundation in Evora; he heads up an informal group of specialists who have been meeting in close secrecy to deal with the problems of Portuguese agriculture and propose courses of action to the proper authorities. His contribution to the recent "Primeira Pagina" was the best among all participants.

Active in his knowledge of our economic realities, a discreet but attentive militant in the PSD [Social Democratic Party], he was singled out or even invited by the government to participate.

Since 1980, when he declined internal administration. To await what important turn of fate?

8568
CSO: 3542/71

PUJOL, CDC THROW SUPPORT BEHIND ROCA

Madrid ABC in Spanish 2 Jul 84 p 16

[Article by Juan Carlos Pasamontes]

[Text] Barcelona--The prime minister of the Catalan generalidad, Jordi Pujol, and his party, the Democratic Convergence (CDC), are throwing their full support behind Miguel Roca Junyent, general secretary of the CDC and leader of the so-called "Reformist Operation," who wants the UCD [Christian Democratic Union] slot and wants to take advantage of the centrist vote between the PSOE [Spanish Socialist Workers Party] and the AP [People's Alliance].

Miguel Roca, native of Bordeaux (France) who loves to read and water his garden in his free time at his home in Port de la Selva (Gerona), has said over and over again that his political plans were not made for the "calling" of being a hinge party. The nationalist leader will most probably be the Reformist Party's (PR) presidential candidate in the 1986 general elections. But the fact that the CDC supports its general secretary does not necessarily imply that it will join in the operation over the short or long term. The principality's current governing coalition will sit on the fence while those who are most involved will, obviously, be the ones who converge.

The Democratic Union (UDC) has already indicated that it does not intend to participate, and Esquerra Republicana (ERC) believes that this is not its battle. So the CDC will apply the formula used by the Bavarian CDU and CSU in Germany. As for those in the UDC, despite the fact that they are "in favor" of the initiative, they state that they cannot participate for lack of "valid spokesmen" at the national level who clearly express the Christian Democratic political proposals.

Pujol has tried to make it clear that the nationalists are for recognizing Catalonia's individuality, but without leaving room for misinterpretations or having the independence movement associate them with the separatists. A mistake like that could "dirty" the reformist bid for his "prince", Miguel Roca. Nor are the intentions or the political implication of the complaint

brought by the nation's attorney general, Buron Barba, against 25 former board members of Banca Catalana, in which Jordi Pujol is involved, a secret in the principality. Opinion has it that the move must be aimed at undermining the PR leader's chances for election in the rest of Spain. The "Achilles heel" of the whole operation is the money that the PR needs to have to move ahead. Its capitalization is an important subject and is of concern to the leadership of the "No to NATO" party. Apparently, however, they recently received a large sum that will keep the operation going until the end of the year. According to an important leader of the People's Coalition, Roca has "more than an excellent" relationship with the March family and some of them have already held more than one meeting, but it all depends on who ends up at the helm of the ship of reformism.

Moreover, this July the Reformist Party will inaugurate its new national headquarters on Fernando del Santo Street, at the corner of Montesquina.

12610
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POLITICAL

SWEDEN

SOCIALIST PARTY ISSUES NEW LIST OF POLICY GOALS

Individual Freedom Stressed

STOCKHOLM DAGENS NYHETER in Swedish 29 Jun 84 p 9

/Article by Kaa Eneberg: "New Socialist Program: Increase Individual Freedom of Choice"/

/Text/ The freedom the nonsocialist parties--especially the moderates--speak of is a freedom which we Social Democrats do not want to have anything to do with. We want to combine freedom with security and give freedom true meaning. All the freedom the nonsocialist parties promise was limited--during their 6-year rule--to the freedom of building a so-called "cold storage."

That was the way the Social Democrats' "minister-of-the-future" Ingvar Carlsson reasoned when he presented the party's big idea-program on Thursday. The program--which is based on $\frac{1}{2}$ a year's debate in the movement--will be presented to the party congress in September.

"Our old party program remains firm," said Carlsson, who described the program of ideas as a bridge between the established party-program and current policies.

In response to the question whether the discussion by the moderate party about freedom had prompted the social democrats to follow suit and outline a position, Carlsson stated:

"Almost every decade has had its own freedom debate. One was, for instance, led by Ernst Wigforss, another by Tage Erlander. It has always been led by Social Democrats and we will in the future continue to lead the debate on freedom in the 1980's."

According to Carlsson, the program of ideas states that the Social Democrats would like to increase individual freedom of choice in the fields of childcare, in the schools and in medical care. In the field of childcare there will be a choice as to what kind of child care, in medical care a choice as to what kind of primary medical care people want, and in the schools a choice between different educational directions taken or what special interests to cultivate.

However, the school issue will be developed within the school system itself as to the special interests or educational methods, not by adding more private schools. Even private daycare centers, like "Pysslingen" (caretaker), are taboo for the Social Democrats.

But there is no question of limiting freedom in any sense. Whoever makes that connection--especially on the daycare issue--is guilty of making a sloppy definition of the concept of freedom itself.

"We have in this country extensive private spheres, but children and their development are of such importance to the Social Democrats that we see them as a responsibility for society," said Carlsson.

Welfare

Carlsson also established that the party remains firm in its goal-setting for a general welfare policy, welfare for all. During the deliberations there was, however, a small minority who presented thoughts about conducting a more selective welfare policy.

"This is an extremely important choice of direction for welfare policy. We can see the effects of a selective social policy as conducted by Ronald Reagan in the UNited States. Even Falldin began to argue the case that we must concentrate on those who are worst off--as the saying goes.

But in the field of welfare policy one must also continue to make investments that have proven themselves over time--such as housing allowances. Particularly difficult circumstances for some groups could justify such measures, Carlsson felt.

As far as the goal of full employment, everyone's right to work is concerned--the picture is getting brighter. But Carlsson refrained from doing what he said "some parties" had done--i.e., promise 400,000 new jobs on the eve of the election campaign as did Thorbjorn Falldin before going on to victory in 1976.

Paper Comments on Program

Stockholm DAGENS NYHETER in Swedish 29 Jun 84 p 2

/Editorial: "Social Democratic Wish List"/

/Text/ The basic idea in the Social Democrats' new idea and future program is--to make a long story short--to stay with the traditional policy of a social democracy.

The new ideas which have characterized last year's political debate--to some extent even within the social democracy--are conspicuous by their absence. The idea that unemployment can be reduced by a general reduction of working hours is rejected. The idea of promoting growth of a work-intensive "informal" economic sector (modeled by daycare cooperatives and youth centers) by providing tax breaks, is not mentioned. The idea of more free competition between public and private services in some fields has been crossed out.

The freedom of choice, which the idea-program warmly pleads in favor of, is to be realized "within the public sector." That means that people to some extent will be able to choose to which one of the counties' health care centers they will go, or which local junior college they will attend. That is not a breathtaking vision of freedom of choice.

The idea-program forcefully stresses that the Social Democracy's first and foremost ambition is to achieve full employment. The method that is outlined involves heavy investments in industry--which on one hand is supposed to provide more jobs within the industrial sector--and on the other hand to create conditions to expand the public sector to some degree.

Moreover, the idea-program calculates that economic growth--in the long run estimated to stabilize at two-three percent a year--will make it possible to restore the country's economy (pay the foreign debt, bring down the budget deficit, and slowly also lower interest payments), raise real wages and carry out some urgent social reforms.

Reforms with priority are listed as: The right for a place in a daycare center for all children 1½ years old "about 1990," expansion of parental insurance (from present 9 months up to a year and a half), improvement of partial pensions, expanded rights for paid time off for studies," according to the wishes of each individual."

In addition, continued guarantees for indexing pensions, health and unemployment insurance, which all mean that "an ever-increasing portion of our total resources will be claimed by retired citizens via ATP /general supplementary pensions/."

Thus the idea-program paints a rosy future. Everything will be better.

However, the authors of the program have failed to present any calculations of cost for all the promises and pledges of reform. Nor is there any mention of analysis of the obstacles on the road of these political ambitions. For example, the central section dealing with "Where are the jobs in the future," is settled in 28 lines.

Consequently, a listing of wishes rather than a program of ideas.

9349
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POLITICAL

TURKEY

MUMCU CALLS FOR UNITED LEFT AS ALTERNATIVE TO OZAL

Istanbul CUMHURIYET in Turkish 28 Jun 84 pp 1, 11

[Article by Ugur Mumcu in column "Observation": "Plenty of Time"]

[Text] At a conference of the Turkish Industrialists' and Businessmen's Association at the Divan Hotel in Istanbul in the summer of 1980, businessmen and journalists had dinner with Turgut Ozal, then undersecretary of the Prime Ministry. It was only 6 or 7 months after the 24 January decisions had been adopted. Businessmen seemed quite receptive to the decisions. A few of us journalists got into a discussion with Ozal. We told Ozal that the 24 January decisions were "IMF recipes" so to speak and that these recipes had all had negative results in the South American countries. We asked:

--"Doesn't the end result of this model worry you at all?"

Ozal stood up for the 24 January decisions that day with us just as he does today and said it would take 5 years for the decisions to bear fruit.

It has been 5 years since that time. Ozal is still talking about 5 years and occasionally mentions 10. If you ask him about it, he sticks his hands in his pockets and, there on the TV screen in front of 50 million citizens, defends himself by saying, "The 12 September period was interrupted. We were out and Kafaoglu was in. That is what happened." That is certainly true enough.

Ozal considers the oil crisis excuse enough for his model and will criticize the administrations which were caught in the disaster of that crisis. Then he ups the ante; "5 years, 10 years," he'll say. When these 5 years and these 10 years are over -- let there be no doubt -- he will find some other excuse to ask for more time.

You know the children's game, tekerleme? "Rhyme or reason have I none," the children chant. Ozal no longer needs any persuasive reason to hinder or delay implementation of this model. He is in power, you see. The majority of parliament backs him; whatever legal arrangements he wants they put into effect in the form of statutory edicts. No government could ask for more.

Moreover, he has no strong, restraining opposition. You may mention the Nationalist Democracy Party, but it is not at bottom opposed to the 24 January decisions. The Populist Party? In the throes of losing its electoral base, it is not very influential -- except in a few isolated incidences.

Under these circumstances, Ozal has no right to complain. No other government in Turkey has ever had Ozal's privileges.

Despite all this, certain well-intentioned circles are asking for indulgence: "Oh, don't be so critical of Ozal." "Why not," you ask. "There is no alternative. If Ozal goes, we will have another emergency," they say.

The basic of this logic is wrong. It is wrong, because Ozal is not the alternative to an emergency, he is himself a part of the emergency. The pre-12 September deputy prime minister came onto the political scene with the 12 September action. For this reason, it is a great and unpardonable political gaffe to look at superficial deceptive appearances and consider Ozal an essential part of the multiparty system and a credible leader.

Democracy is the system of making choices. There is no "only way" for multiparty politics; there are many ways. The citizen cannot be doomed to a single view, a single model.

The opposite choice from Ozal is the one that fundamentally opposes the 24 January decisions, desires the amendment of constitutional provisions prohibiting the establishment of social democracy and is rooted in a statist, planned, libertarian, participatory political view.

The name given to this in the Western democracies -- including, you know, these NATO countries -- is "left," or "social democracy," or more appropriately "democratic socialism."

Ozal ought to be able to put his model into practice however he wishes until his term in office is over. Anybody who wants to formulate artificial alternatives to the Ozal administration ought to be forcefully opposed. However, those who oppose Ozal's model ought to be able to express their views without fear or intimidation of any kind.

The left has to look rather far down the road. To date, the Turkish people have seen in power every variation of the right wing; they have tried every single one of them. The left wing must make the most of this slice of time yet to come, it must blend all of the trends in the democratic left into a single whole and it must make preparations in all areas for the day when it will be in power.

Ozal's energy pile has not yet run down, but he will not be able to get it to work even if he were to hook it into a nuclear reactor.

"Haste makes waste." Ozal has to take it easy in the implementation of his model, and the left must use this time to make its own preparations for power.

The crucial problem at the moment is to convert the left into a unified whole.

8349

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POLITICAL

TURKEY

PARTIES PRESENT FINANCIAL ACCOUNTS TO CONSTITUTIONAL COURT

Istanbul CUMHURIYET in Turkish 28 Jun 84 p 7

[Text] Ankara (ANKARA AGENCY) -- Under article 74 of the Political Parties Law, party headquarters and provincial and district organizations have 2 more days to have their final accounts completed and presented to the Constitutional Court.

ANAP [Motherland Party] is to present to the Constitutional Court its final balance sheet tomorrow, the Correct Way Party [DYP] and the Social Democracy Party [SODEP] will do theirs on Friday, and the Nationalist Democracy Party [MDP] will wait until after the holiday. The Prosperity Party [RP] will ask the Constitutional Court for an extension as its financial balance sheets are not yet ready.

ANAP

ANAP general accountant Dogan Akyurek said that his final figures as of 12 December 1983 are ready and that the figures would be announced following presentation to the Constitutional Court of the balance sheet today.

HP

The Populist Party (HP) had a total income of 55,707,325 liras consisting of national deputy fees and receipts from national deputy primary candidates; sales of rosettes, flags and banners; donations and receipts from fund-raisers such as concerts.

On the other hand, it spent 58,268,914 liras on personnel, rent, office supplies, telephone and electricity costs and organizing expenses.

The 2,561,859-lira deficit was reportedly covered by borrowing.

MDP

The MDP had a total income of 295,003,965 liras for the period, including 226,796,000 liras in donations. MDP General Secretary Ulku Soylemezoglu said they were still a little behind and the full figures would be presented to the Constitutional Court after the holiday.

In comparison of income and expenditures, the MDP found that it has a surplus of 123,578,844 liras in the till.

DYP

DYP general bookkeeper Ozden Bilun said in the announcement of the party's financial status that general headquarters had an income of 12 million liras and spent 10,992,000 liras.

Ozden said that the outlying organizations' income and expenditures came out even at 14,809,000 liras and that the balance sheet would be submitted to the Constitutional Court on Friday.

The DYP thus has 1,008,000 liras in the bank.

SODEP

General accountant Ugur Batmaz of SODEP said the party's income of 138,217,050 liras was equaled by expenditures.

SODEP received 84,908,000 liras in donations and spent 13,694,000 liras on publicity and propaganda. It spent 37,898,000 liras on physical plant and had 12,934,701 liras to carry over to this year [as published].

RP

The RP has been unable to prepare its final account tables. RP press spokesman Ismail Yetis said the organization must not be considered the same as an organized state. "There are many deficiencies in the organization, there are many omissions in the incoming accounts, and therefore we have been unable to finish," he said.

Ismail Yetis added that they will ask the Constitutional Court for an extension.

The parties' income and expenditure accounts cover the period from their establishment until 31 December 1983.

Constitutional Court President

In an interview with an NAKARA AGENCY reporter on the topic of financial oversight of political parties, Constitutional Court President Ahmet Hamdi Boyacioglu said, "Existing statutes do not provide for financial oversight of political parties by the Constitutional Court."

Noting that the "legitimacy" of the political parties' income and expenditures could not be determined by a single final account sheet, Boyacioglu said that under the law they could always ask political parties for documentation of data pertaining to the final accounts.

Boyacioglu said there had never been a time in Turkey when financial oversight of political parties had been possible nationwide to include their provincial and district organizations, and he did not think it could be done under existing statutes now, either. He continued:

"Still the Constitutional Court will enforce the statutes as regards financial oversight of political parties. Instructions will be written to all provincial and district organizations of the parties requesting one copy of their accounts."

KOHEN ON TURKEY'S RENEWED EUROPEAN DIPLOMATIC EXPOSURE

Istanbul MILLIYET in Turkish 5 Jul 84 p 2

["World View" column by Sami Kohen: "Renewed Exposure to Europe"]

[Text] Foreign Minister Vahit Halefoglu's current visit to Italy, which follows his earlier visit to West Germany, must be interpreted within the framework of Turkey's strategy of "renewed exposure to Europe."

This is a clear indication of Ankara's "multilateral and balanced" foreign policy.

The goal is to revitalize and to remobilize Turkey's relations with Europe which have been frosty in recent years.

The "diplomatic traffic" that has begun to European countries will, naturally, not only improve relations with each of the individual countries, but will also help relieve the coldness, the friction and the distrust that exists in relations with the European Community, which has, and should have, an important place in Turkish foreign policy.

It is natural that Halefoglu, who wants to add a more active "European dimension" to Turkish diplomacy, began this traffic with West Germany where he was accredited as ambassador for 10 years. West Germany also maintains the closest ties with Turkey among European nations. Despite occasional disputes arising from guest worker problems, the Germans stand out as the most understanding and supportive nation toward Turkey in Europe.

Not surprisingly, Halefoglu's contacts in Bonn proved once again that certain differences of views between the two countries can be resolved quietly and with good will and that collaboration is possible on common interests.

The issue of freedom of travel for Turkish guest workers, which was seen as a major stumbling block, was resolved satisfactorily with some interim measures. The right of free travel--as provided for by agreements between Turkey and the EEC--for Turkish workers will "remain intact", but in view of economic conditions in West Germany, Turkey will not exercise this right beginning in 1986 and until a future date. However, West Germany will immediately start making efforts to develop Turkey's frozen partnership in the EEC and to insure that the assistance promised to Turkey materializes. In fact, West Germany has already started this work; it is now leading this movement within the EEC.

With Italy, there is no major dispute as with West Germany. The two countries can establish closer economic relations (this applies to West Germany as well). Moreover, Italy, too, can support Turkey within the EEC. Finally, as a Mediterranean country, Italy has common or similar views and conditions with Turkey on many issues.

There are many motivations for "renewed exposure" to Europe.

Firstly, Europe has had a special place in Turkish foreign policy since the beginning of the Westernization movement in Turkey. For Turkey, relations with Europe do not mean solely commerce and economic and technological cooperation; they also mean political, cultural and social ties, common interests, common views and common values.

In the last 2 to 3 years, part of Europe has taken a critical posture toward political developments in Turkey, and this has cast a shadow over traditional good relations. But today, the Europeans' attitude is changing, and Turkey's image is improving. While there are still those who maintain their former stance, their criticism lacks the strength to prevent an improvement in relations. Thus, one of the benefits of the renewed exposure to Europe is breaking up the ice of recent years, warming up the atmosphere and improving Turkey's image.

Another important motivation is Europe's weight in world political affairs. As a whole, Europe is a balancing factor between the two superpowers--or if the Third World is also included, among three world political forces. Today, West European leaders are on the one hand trying to reconcile differences between Washington and Moscow, and on the other hand, they are working for a compromise between the superpowers and the countries of the Middle East, Africa and Latin America. This stance fully conforms with Turkey's foreign policy objectives of compromise and detente.

Finally, the rapprochement between Turkey and Europe is essential for placing relations with the EEC--in which Greece is currently a full member and which will soon be joined by Spain and Portugal--on healthier foundations. Since staying outside the community cannot be contemplated in view of Turkey's vital interests, initiating the rapprochement effort today without any delays is very proper.

It is absolutely unnecessary to think of relations with Europe as an alternative to ties with, say, the United States or the Islamic world. Turkish diplomacy does not have to make a choice between "the United States and Europe" or "the West and the Islamic world."

On the contrary, the goal is to develop balanced and multilateral relations with various countries and national groupings.

"Renewed exposure to Europe" is part of this policy.

INONU WORKS TO BOLSTER SODEP POWER, COHESION

Istanbul CUMHURIYET in Turkish 5 Jul 84 pp 1,7

[Text] Ankara--Social Democracy Party [SODEP] leader Erdal Inonu will broach the issue of merging with the Populist Party [PP] in his speech at the general congress of his party tomorrow. According to the information obtained, Inonu will disclose that "he is prepared to make any sacrifice possible" to accomplish the merger. Today, Inonu will hold a meeting with SODEP's 67 provincial organization leaders.

Inonu stated that he favors making up a candidate list together with the elected leaders of the party's provincial organizations. It has also been learned that Inonu has rejected calls for the formation of a working group to make up the blanket list that will be submitted to the party's general congress.

According to the information obtained, at today's meeting, Inonu will ask the provincial party leaders to help him to make up a candidate list. Inonu will also emphasize to the provincial leaders that he opposes factionalism within the party. Circles in SODEP headquarters disclosed that today's meeting is so important that it can determine the outcome of the congress and that if provincial leaders reach an agreement among themselves and with the leader of the party, undesirable divisions will not emerge during the elections.

Rumors in political backstages indicate that if a unifying result does not emerge from Inonu's meeting with provincial party leaders, "key lists" outside the blanket list will appear. These key lists to be prepared by certain groups will include the names of candidates who the said groups want elected to the administrative organs of the party. According to these rumors, the names of these group candidates--whose names will also be included in the blanket list--will be circulated as "clues" among the delegates in key lists or "by word of mouth." The various groups will thus be offering "tips" to sympathetic delegates to vote for candidates whom they want elected to the party administration.

Inonu held an important meeting yesterday noon. Former Senator Seref Baksik, currently SODEP provincial leader in Izmir, had a working lunch with Inonu yesterday. After the lunch, it was certain that Baksik will be nominated as chairman of the party's general congress.

After his meeting with Baksik, Inonu held separate meetings at his party headquarters with Adana provincial leader Ziya Yergok, Istanbul provincial leader Korel Goymen and Ankara provincial leader Onur Kumbaracibasi.

In his statement before the Founders' Council meeting, which convened for the last time, Inonu said that the fact that this meeting was being held at the close of a period has an additional significance. He added:

"The legal existence of the Founders' Council, which founded and organized the party and which steered it to the local elections, will end with the convening of the general congress. However, its historic presence and work will continue. The Founders' Council will observe with pleasure the success of its work, which it created through 13 months of intense and determined effort. We overcame five waves of vetoes, we participated in the local elections and we became the second largest party in the country. We became a party which the President recognizes and talks to. We became a party which the public sees as an alternative to the ruling party."

9588
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POLITICAL

TURKEY

BIRAND ASSESSMENT OF NATO DELEGATION, MANACH VISIT

Istanbul MILLIYET in Turkish 10 Jul 84 p 6

[Text] A delegation of the Atlantic Assembly which is constituted by members of parliament of NATO nations visited Turkey this week. Their chief aim was to draw up a list of the problems between Turkey and Greece. To find out to what extent those problems may or not be dangerous and prepare a report for their fall meeting that will outline this dispute which weakens NATO's Southern wing.

They first went to Greece and came over here with the conviction that there was "a Turkish threat to Greece." In Turkey they not only met with members of the government but they also talked to everyone, civilian and military. They flew over the Aegean islands by helicopter and saw for themselves the continental shelf and what arming those islands would mean. They investigated the "Army of the Aegean" which is alleged to be a Turkish threat and the "hundreds of landing craft concealed by the Turks" according to Greek claims.

The conclusion they reached: the Greeks' dread of a Turkish threat is unfounded.

In their fall report they will take an approach that will support the Turkish views. They will be subjected, of course, to great pressures from Greece.

Maximum credit must be given to the Motherland Party Ankara deputy, Ogan Soysal who is at the same time a member of the Atlantic Assembly, for enabling the Assembly delegation to reach this conclusion. The delegates who were here said so themselves. Although he was not on duty, Soysal greatly contributed to the favorable outcome of the report by making sure that the delegation spoke to the right people and were taken to places they must see. Had the delegation been left on its own a similar result could not have been attained. I believe that Soysal gave an excellent example to some of our members of parliament who only attend international meetings and return without having ever opened their mouth or who are content with saying only a few words when the subject of Cyprus and Turkey comes up and who show no interest in any other question until the following meeting... Provided they care for the lesson.

* * * * *

The visit of President Mitterand's special envoy, Etienne Manach, to Ankara is significant. And the first thing that can be said is that: "The highest official in France has also finally realized the extent to which Turkish-French relations

have deteriorated, reaching the breaking point." Up to some time ago the state of those relations was perceived at a certain level of the French Ministry of Foreign Affairs only and the matter went no further. Now the highest authority is dealing with it. And, consequently, chances for a solution have improved. It must not be thought, however, that everything will turn into a rose garden, that no speech or development that could bother Turkish public opinion will not occur. In fact there are things that Paris can or cannot do:

- . The French government cannot ban the Armenians' demonstrations. It cannot prevent them from inaugurating memorials.
- . Some French officials cannot refuse invitations to some of the Armenians' ceremonies.
- . Just as France cannot turn away political refugees neither can it renounce its policy regarding minorities and human rights.

Versus that:

- .French television can completely stop broadcasting programs which give the impression that the Armenians are right after every incident. Or they can at least balance such programs by equally exposing the Turkish standpoint.
- .Members of the French government can stop making speeches in support of the Armenians. Even if they are not expected to turn against the Armenians, they can stop harping on the notion that the Armenians are totally in the right.
- . They can display caution on the subject of political refugees and minorities and they could even give Turkey some support through their stance and the speeches they make.

This is what we expect from Manach's visit, at the initial stage. It will be possible then to proceed to the next stage of improving relations further. Meaning that a gesture from Turkey may be expected. But we must first witness the new stance Paris will adopt.

12278
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BARLAS MAPS POSSIBLE UPCOMING POLITICAL SCENARIO

Istanbul MILLIYET in Turkish 10 Jul 84 p 1

[Article by Mehmet Barlas in The Column "Today": "What Will Happen Now?"]

[Text] It is not easy to predict the agenda of the next stage in Turkey's political life. Because only after some variables are solved can the items on such an agenda take a concrete form.

We can list as follows some of the important items that will be included to the agenda of the months and years to come and which will be, consequently, debated:

1 - EARLY ELECTIONS: This question is directly related to the Ozal government's successes or failures in the economic field. If the rate of inflation slows down toward the end of this year and, starting from the middle of 1985, emphasis can be put on investments, the demands of the opposition in Parliament and particularly outside of Parliament for early elections can be curbed.

Indeed, the main reason for their asking for early elections is the fact that the SODEP [Social Democratic Party] and the Right Way Party which were in the 2nd and 3rd positions respectively in the 25 March elections are not represented in the TBMM [Turkish Grand National Assembly]. It is to be expected that the unwholesome picture created by this situation will be reflected in the political arena at times in the form of early elections and at other times in the form of political unrest.

2 - ATTEMPTS AT MERGING IN THE RIGHT AND IN THE LEFT - This item will be discussed in the wake of the SODEP's Big Congress, within the framework of the contacts that will be taking place with the Populist Party. The SODEP's and the Populist Party's fusion is far from easy, both from the constitutional and the human standpoint. In the end the Populist Party established its organization in one way or another and managed to create the second largest group in Parliament. Even if a solution compatible with article 84. of the Constitution can be found and the road to a merger is opened, the problem of renouncing the position of chairman and leader will arise for some people. Furthermore it will not be easy for Populist Party deputies who have over 4 years ahead of them to renounce some of their privileges in favor of the SODEP.

In the matter of a merger the SODEP is in a greater hurry than the Populist Party. Because preparations for founding a new party of the Democratic Left

which is looming in the horizon can be scary from the standpoint of unity and cohesion.

As for merger attempts in the Center Right Wing, the common target at this point is the Nationalist Democratic Party... It is a fact that both the Motherland Party and the Right Way Party are wooing that party. It is also well known that the members of the MDP [Nationalist Democratic Party] who do not appear to have a political future are looking for alternatives to staying on their feet by approaching either the Motherland Party or the Right Way Party. The outcome of this matter will depend on the skill of Ozal and that of the moral and material leaders of the Right Way Party.

3 - THE STABILIZATION OF THE PARTY IN POWER - To the extent that the political environment will become ever more democratic and the climate of competition between the parties will be tougher attempts at eliminating the excessive centralization and the lack of discipline within the Motherland Party will be intensified. Accordingly, after a while we might witness the changing of some ministers.

These are some of the items on our political agenda.

12278
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PLANNING, MANAGEMENT PROCEDURES FOR NATO 1990'S FRIGATE

Bonn WEHRTECHNIK in German Jun 84 pp 14-24

[Article by Karl-Heinz Otte: "Nato Frigate 90--Economical Arming Through Cooperation"]

[Text] In the past decades, when a cooperative effort among several NATO nations with respect to a quite definite weapon system had been agreed on, again and again it turned out that such a joint task could not be done, given the multitude of national viewpoints and areas of interest. Now after many failures a new project is making people sit up and take notice. Eight nations--the FRG, France, Great Britain, Italy, Canada, the Netherlands, Spain, and the United States--have taken initial and hopeful steps on a resolution to jointly design and, with certain national variations, to build a frigate for the operational tasks of the 1990's. If everything proceeds as now scheduled in the planning, the first ship could be placed in service in 1994. It would be desirable for such an ambitious project to lead to success just once; and it would prove that NATO cooperation on arms is possible also in practice, if only everybody wants it!

"Economical arming" sounds provocative at first, and the term is apt to arouse mistaken expectations. Because: Arming is a part of the mission given to the Bundeswehr by the Constitution, something which is necessary and which costs money. Here we encounter a well-known problem: We aim at an armament equal to the threat, and this results in our increasing our expenditures; in doing so we are confronted with the limited financial capacity of the State, which does not allow rising expenditures.

To the parties concerned it is clear that the solution to this problem will not be possible by way of "more money for defense," but rather that any chances of a solution present themselves only through a strict pursuit of the objective: "More defense capability for the money available."

Now What Is This About Warship Construction?

In the sense just explained, economical arming is nothing new, and such arming has been engaged in for a long time now. In this respect also, ships and boats of the Federal Navy stand up to international comparisons very well.

Unfortunately, optimal solutions in terms of technical-operational capabilities always have had to be and have to be ruled out.

In connection with every new construction and every rebuilding, legitimate desires of the fleet and the engineers involved have had to remain unfulfilled in the past and will have to remain so in the future as well, in light of the budget limits.

In this connection cost/benefit analyses are frequently mentioned, but less often correctly understood, both as concerns the manner of the assessment and also the assessment itself. Moreover the results prior to an application sometimes seem different from those appearing afterwards. The Falkland conflict furnished examples of that.

Now in times to come it will be a question of defining what real opportunities there are, despite rising costs and growing needs, to still give the ships adequate capabilities in light of increasingly tighter financial limits.

Let us begin with considerations with regard to ships already in service. If it is accepted that the technical side of the planning must see to it that weapon effectiveness on the target should have the highest priority, then in the utilization phase there must be a constant check on whether the weaponry of a relatively long-lived vehicle still corresponds to the prevailing needs.

As a result of this checking, it may turn out that a modernization of weapons, sensors, and command resources is advisable. When such advice can be followed, we speak--depending on the extent of what is possible in each case--of a "lifetime-extending measure," or of a "maintaining of combat effectiveness," or of a "combat effectiveness upgrading."

We are now facing one instance of maintaining combat effectiveness with the 206 A submarine program.

For future ships, opportunities present themselves for economical action through international cooperation. This cooperation should begin at a very early stage of a project.

In the NATO Naval Armaments Group (NNAG), early on the realization began to grow that we need to give thought to a frigate for the 1990's. The NNAG charged the IEG/6--On Ship Design--with the investigation. Following its positive report, later on the Special Working Group 7 initially, and then the PG/27--Project Group 27--were set up and charged with planning these frigates for the 1990's. Moreover--because helicopters are the

indispensable backup for antisubmarine frigates-- PG/28 began on corresponding work for helicopters in the 1990's. In addition, PG/27 is working together with a multitude of other groups.

The planning on these frigates is proceeding according to the "Periodic Armament Planning System" of NATO (PAPS). The phases of PAPS are comparable to our national phases for the development and procurement process for defense material. However, PAPS documents have no legal binding effect nationally. In each case obligations vis-a-vis NATO partners arise only through a Memorandum of Understanding--MoU--which contains corresponding arrangements. Decisions concerning national participation in joint projects presuppose the existence of corresponding national phase documents.

In this area the nations concerned have successively adopted the specified milestone documents.

In the "Mission Need Document," it was established when and why frigates will be needed by the different nations in the 1990's. That was received back in December 1979.

Then the assessment of the Mission Need Document led to the "Outline NATO Staff Target," which contains an outline of the objective. It was adopted in September 1980.

As a logical consequence the decision was made to have industry carry out a "prefeasibility study" to clarify the possible solutions.

In December 1983, from the outcome of this study it proved possible to derive the "NATO Staff Target"--the objective--and the "Statement of Work"--the description of the work to be carried out in a Feasibility Study (= national conceptual phase).

In parallel with this, the national basic document, the TaF [Operational Requirement], was worked out as a prerequisite for starting the conceptual phase. The TaF and NST agree in all essential statements, and the title of our TaF reads: "Operational Requirement for a Multipurpose Frigate of the 1990's, With an Air-defense Emphasis."

The discussion within the NATO working groups had led us very early to the realization that a great need for frigates unequivocally exists for the 1990's. The estimated unit numbers varied among the nations, but their sum always was definitely in excess of 50.

In the Mission Need Document it had already proved possible to stipulate the following as the operational objective for this ship, which was to be used predominantly in the escort service:

Worldwide deployment,
submarine pursuit in connection with other antisubmarine systems,
air defense,
surface naval warfare.

The priorities varied with the separate nations, and even in the early stage of the discussion this led to the recognition that different equipment for the ships would be required. But on the other hand, a large number of common interests could not escape notice.

Therefore the NNAG decided to try to come to a quasi-joint solution, knowing full well that hitherto a project of this order of magnitude had never yet even gotten off the ground--at least not with serviceable results.

Prefeasibility Study

The PG/27 was instructed by the NNAG to carry out--along with Sub Group 13 of the "NATO Industrial Advisory Group" (NIAG)--a Prefeasibility Study for the NFR 90 [NATO Frigate Replacement 90]. The industries of the nations involved were brought into play at the earliest possible time. Some 132 firms from at that time nine nations took part in the work. The studies ran from February 1981 to October 1982 and were in part financed from the NATO budget. The residual financing rested with the industry concerned. It was downright inspiring to see how so many firms from so many countries cooperated so openly and constructively. This gave all the participants the courage to continue on the path which had been optimistically entered.

For the execution of the Prefeasibility Study, PG/27 had elaborated the following projects for the SG/13 of the NIAG:

Global effectiveness of the frigates,
construction of at least 50 ships,
the nations are to build their NFR 90's at their own shipyards,
specified components to be supplied by the separate nations are installed
on all ships.

Particular attention is to be focused on the following:

Standardization

Interoperability

Flexibility (on allowing for national wishes)

And the integration of differing subsystems in accordance with national preferences.

The Prefeasibility Study was expected to result in the following:

Basic data for the NFR 90 (length, width, tonnage, speed, and so forth);

methods for estimating the operational capabilities of various solutions;

identification of risks;

the most extensive commonalities of features possible despite differing national options;

a discussion of possible alternative solutions;

a sufficiently detailed investigation for the purpose of serviceable cost estimates on development, procurement, and utilization;

information on possible political, military, and economic advantages of international cooperation.

After the delivery of the study results in seven volumes to the capitals of the nations concerned from October to December 1982, the following could be established:

The objective is achievable in technical and economic terms.

The proposed solutions presented do not include any manifestly unacceptable risks.

The requirements of the "Outline NATO Staff Target" (ONST) can be fulfilled with a ship of 3,500 tons standard displacement.

Both the platform and the system architecture permit adequate flexibility for differing weapons, sensors, and command resources.

The possible savings in costs through cooperation on construction and a 25/year operation can be quantified reliably enough and will be clearly discernible.

This information on the results of the study was so attractive that the nations resolved to jointly begin on a "Feasibility Study" in order to corroborate these initial opinions and to create the prerequisites for a later, hopefully joint definition. By December 1983 a corresponding MoU had been negotiated, and in the spring of 1984 this was signed by eight nations through their defense leaders. The participants are convinced that here as well the objective aimed at can be reached and that the following problems can be positively solved:

Solutions geared to national needs, together with ships as identical as possible,
a division of labor,
a division of costs,
an equalization among the partners,
integrated logistical support systems,
a minimizing of the flow of money among the partners.

Moreover--and this is particularly important--what is also needed is the firm will of the navies and the political figures in focusing their efforts on the ultimate goal.

The MoU Concerning the Feasibility Study

In the MoU entitled "Feasibility Study of a NATO Frigate Replacement for the 1990's," first of all the participating nations are listed: Canada, France, the FRG, Italy, the Netherlands, Spain, Great Britain, and the United States. Not mentioned in the MoU, but agreed upon in another form,

is that the FRG assumes the role of host nation for the organizational units on the governmental and industrial side which are to be charged with the execution of the study. The "scene of activity" is Hamburg.

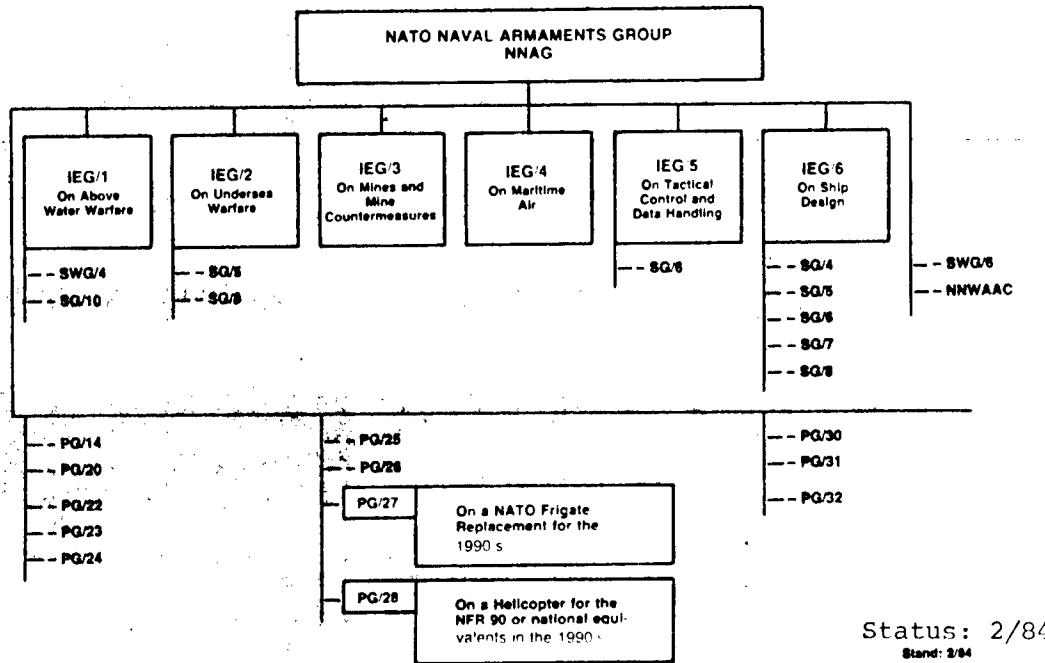


Figure 1: Breakdown of the NATO Naval Armaments Group NNAG With Respect to the NATO Frigate 90

In the preamble to the MoU it is asserted that a cost-effective solution appropriate to the needs of all participants and within the scope of current technology can be designed, built, and used without sacrificing standardization, interoperability, and simple service support; and that the conditions for this work are correspondingly established in 19 paragraphs of the MoU plus an appendix.

Section I of the MoU concerns itself with abbreviations and definitions, for the purpose of forestalling problems of interpretation. Section II explains the tasks of the study and gives a duration for it of about 2 years. It became effective on 30 April 1984.

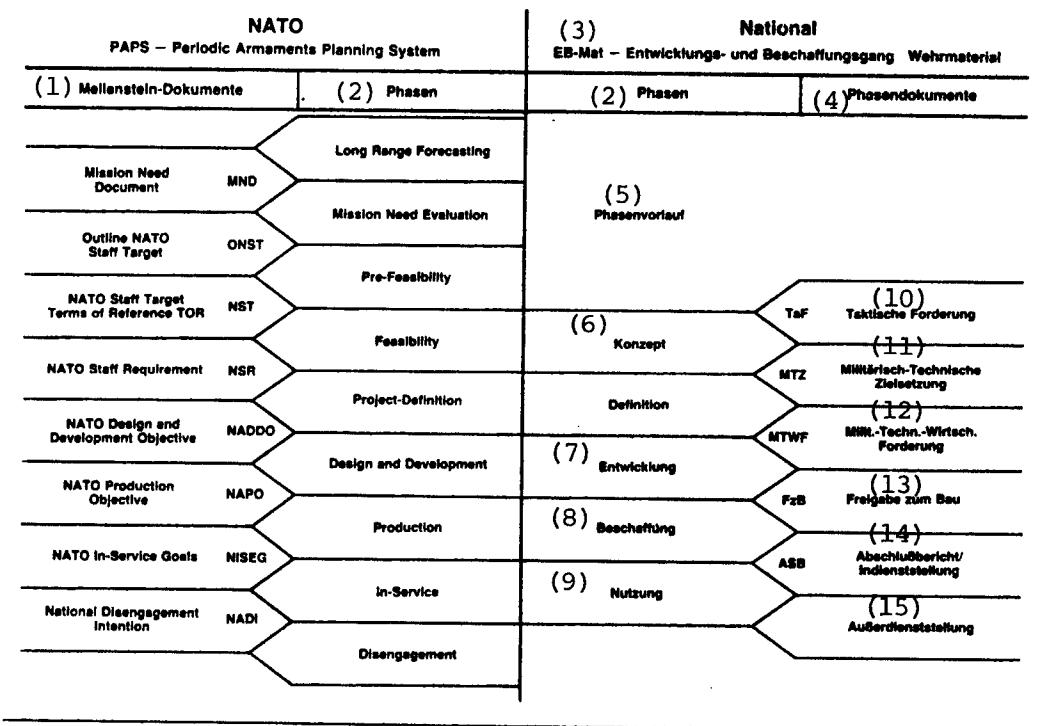


Figure 2: Comparison of the Phase Sequences in Accordance With PAPS and the German Development and Procurement Process for Defense Material

Key:

1. Milestone documents
2. Phases
3. EB-Mat--Development and Procurement Process for Defense Material
4. Phase documents
5. Pre-phase anticipatory work
6. Concept design
7. Development
8. Procurement
9. Utilization
10. Tactical requirement
11. Military-technical objective
12. Military-technical-economic requirement
13. Requisition for construction
14. Final report/commissioning
15. Decommissioning

Scope of the Work

Section III explains the scope of the work. For example, the following are expected:

The identifying of weapons and sensors which correspond to the technical requirements and which have feasible delivery dates in line with the timetable; development and production costs are to be indicated;

fallback alternatives are to be explained, including a depiction of relevant reduced outputs and/or timetable overruns as well as cost variations.

Moreover, the scope of the work is defined in detail in a "Statement of Work" (SoW) which has been elaborated by PG/27 and which constitutes a part of the agreement to be concluded with industry.

A very important item is an evaluative ranking of the various equipment options, in accordance with the national needs. Everything is to be measured by the military capabilities which are noted in the NATO Staff Target. Finally, the results are to be presented in such a way that they can be utilized as a working basis for the definition phase.

Project Management

Section IV concerns itself with the project management and the corresponding governmental organization. Let us look first at the organization of the governmental side.

Steering Committee

The Steering Committee (SC) consists of the national representatives of the nations participating in the NNAG, and like the NNAG it meets semiannually, or even more often upon request and at the desire of a nation. All questions which concern changes in the work, time, and financial plans (AZF), or in the structure, scope, and staff makeup of the Project Management Office must meet with a unanimous response from the Steering Committee. Each nation has a voice in the SC.

Assistant Steering Committee

The Assistant Steering Committee (ASC) developed from PG/27 in terms of its functions and personnel. It meets upon request, and through its activity it eases the burden on the Steering Committee, to which it reports.

It must make decisions required by the Project Office.

It must check the AZF plans and present them to the Steering Committee for approval.

It must monitor the strict execution of the MoU.

Finally, it has the task of communicating wishes of the participating nations to the Project Management Office and in this area to act in an advisory capacity.

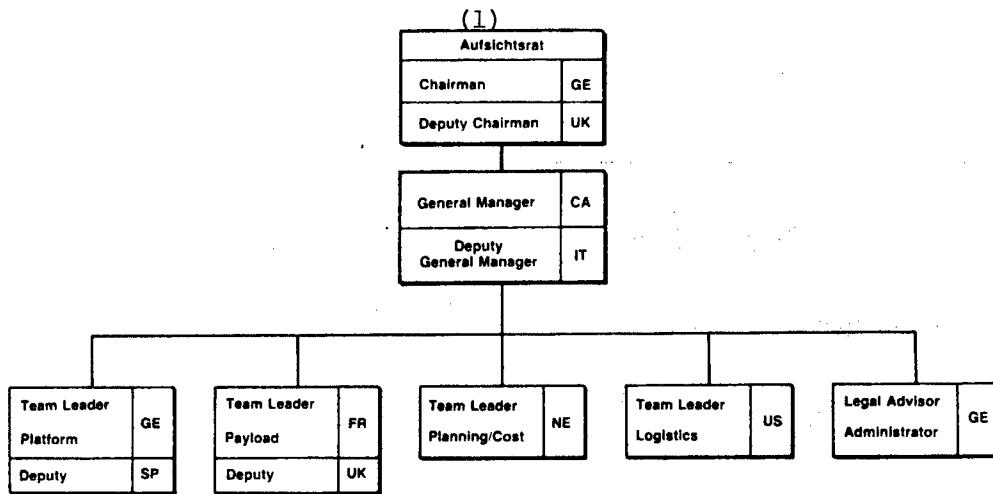


Figure 3: The International Ship Study Association mbH (ISS) in Hamburg with its National Lead Companies

National Lead Companies

FRG: MTG Marinetechnik GmbH (AEG-Telefunken, BHS, Blohm + Voss, Bremer Vulkan, Diehl, Elektro Spezial, Escher Wyss, HDW, KHD, KAE, MBB, MIZ, MWM, MTU, Siemens, Noske-Kaeser, Renk, Rheinmetall, KUKA); France: Thomson-CSF; Great Britain: British Shipbuilders; Italy: Cantieri Navali Riuniti; Canada: Acres Management Services; the Netherlands: HSA; Spain: Empresa Nacional Bazan; United States: NN

Key: 1. Board of directors

Project Management Office

The Project Management Office (PMO) is a standing institution during the period of the study.

It negotiates the contract specifications with the International Ship Study Association mbH (ISS) and later concludes the contract. Thus the most important partner of the PMO is the ISS.

It draws up the work, time, and financial plans.

It proposes and justifies alterations in the AZF plans.

It defines and interprets the standards to be observed.

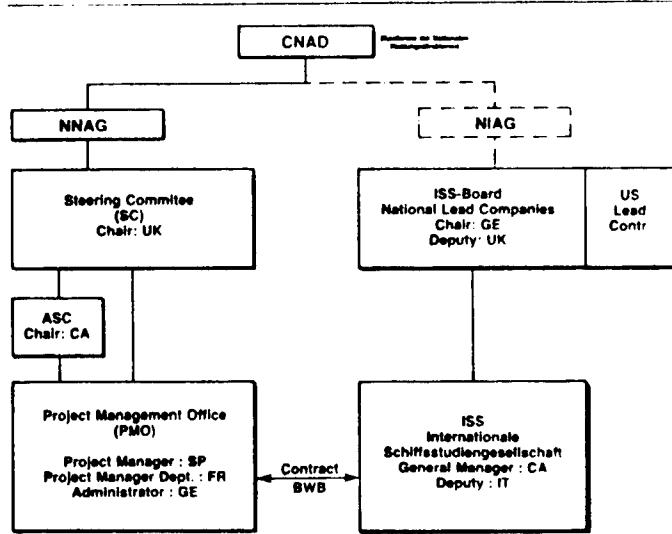


Figure 4: Governmental and Industrial Organization for Feasibility Study

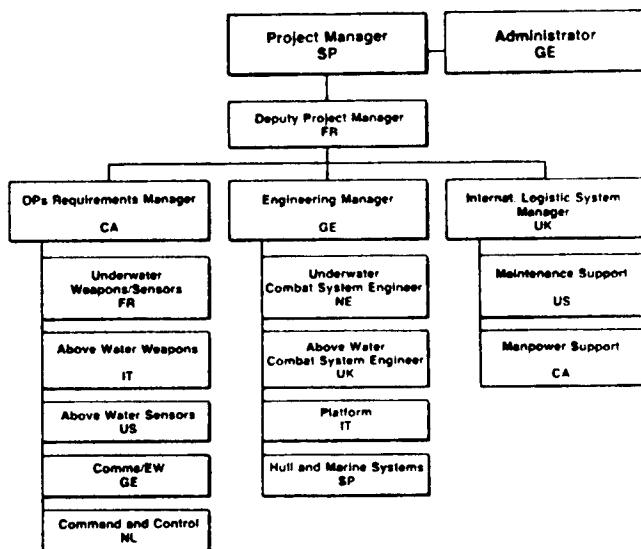


Figure 5: Division of the Project Management Office (PMO) in Hamburg

A Spanish officer has been named by the NNAG to head the PMO, and a Frenchman serves as his deputy. A German official is assuming the administrative work at this level. In addition, each nation is represented by one operator and one engineer each. The distribution of tasks is governed by the specific abilities of the persons named, independently of nationality.

The suggestions on the personnel for the management functions come from the German delegation to the NNAG. These should help to avoid the appearance of a German overbalance in view of Germany's host functions.

Finally, Section IV contains in addition the stipulations that

the host country should name the contracting authority, for all contracts, the laws and rules of the host country apply.

The BWB [Federal Office for Defense Technology and Procurement] is acting as the contracting authority.

Because of conflicting U. S. laws in this area, with the United States a divergent ruling must be made. The paramount point is the stipulation made that the U.S. Lead Company must receive its money directly from the U.S. government, but otherwise it collaborates in a completely integrated way in the association yet to be described, and it follows the instructions of this association.

Industrial Organization

Section V deals with the industrial organization and the contractual regulations.

For the specific purpose of the "Feasibility Study NFR 90," in February 1984 the Industrial Advisory Group of the CNAD established an international association under German law with the name International Ship Study Association mbH (ISS). This ISS is composed of about 130 firms with a national lead company in each case. The German lead company is Marinetechnik GmbH in Hamburg.

Industry is setting up a Board which in parallel with the governmental monitoring institutions will be assuming industrial supervision of the work of the ISS. At the wish of the members, the board is chaired by a German engineer; a British engineer is his deputy. The contract between the BWB and the ISS governs all questions related to the study. The industrial General Manager of the Feasibility Study is answerable to the governmental project manager.

Section VI regulates the division of labor. Every participant contributes his technical capabilities within the limits of reasonable costs. Any disputes which arise are to be settled by the Steering Committee.

The other sections deal with general questions, including certain important points such as:

All discrepancies are to be cleared up at the level of the Steering Committee.

The MoU does not obligate any participant to collaborate on later phases.

The participation of additional nations is possible only after they have accepted all the decisions made up to their accession, have received the unanimous approval of all other participants, and have made a corresponding financial contribution.

Finally, the maximum financial limit for the study costs is established in an appendix.

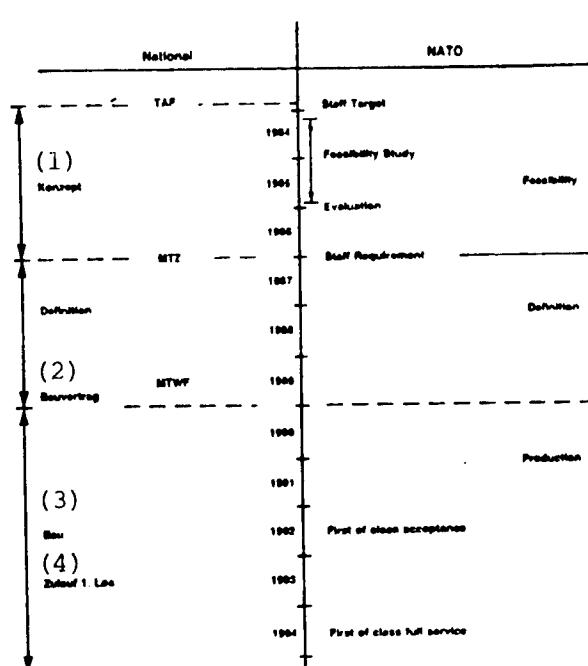


Figure 6: Planned Deadlines for the NATO Frigate 90: The First Ship Should Begin Sea Tests at the End of 1992.

Key:

1. Design
2. Construction contract
3. Construction
4. Delivery of first lot

Advantages and Disadvantages of the Agreement

First the advantages:

A strengthening of the Alliance and a deepening of the solidarity of the partners,

a better utilization of limited resources,
an equalized influence exerted by all participants,
complete information to all participants,
making use of the experiences of all participants,
a good precondition for the aimed-at standardized solution,
a good precondition for common efforts in procurement and use.

But the disadvantages should not be concealed:

The agreed-upon manner of operating places special demands on the parties' willingness to compromise.

This cooperative solution requires relatively high levels of manpower for the Alliance, but not for the individual nation.

The special organization units mentioned first had to be created.

Personnel of the participants have had to be transferred to Hamburg, thus to a foreign country.

Since Hamburg is not an unpleasant place to stay for naval technicians, and since the other disadvantages as well pale into insignificance against the advantages, I consider the way which has been taken to be a good one.

12114
CSO: 3620/350

MILITARY

DENMARK

BRIEFS

ANTITANK WEAPON FROM SWEDEN--The National Defense Factories (FVV) will deliver to the Danish army during 1985-1987 the recoilless rifle, Carl Gustaf M3. The order is for slightly more than 20 million Swedish kronor. It is FVV's first big order for the world's only carbon-fiber-based antitank system. The recoilless rifle is manufactured by FVV in Eskiltuna in cooperation with Bofors Plast AB in Ljungby. The recoilless rifle was first made in 1948 from steel and has been one of the greatest export successes ever experienced by the Swedish arms industry. [Text] [Stockholm DAGENS NYHETER in Swedish 30 Jun 84 p 8] 6893

CSO: 3650/240

MILITARY

FINLAND

BRIEFS

VEHICLES ORDERED FROM SWEDEN-- Norrland's largest engineering plant, Hagglund and Sons in Ornskoldsvik, has obtained a new gigantic order. This time from the Finnish defense establishment, which has, after getting permission from the government, ordered 150 caterpillar vehicles. The order has a value of close to 100 million Swedish kroner. The caterpillar vehicle, which is amphibious, will be used by the troops who are stationed in the northern parts of the country. [Text] [Stockholm DAGENS NYHETER in Swedish 30 Jun 84 p 8] 6893

CSO: 3650/240

STATISTICS ON WAR, AIR SPACE VIOLATIONS ISSUED

Stockholm DAGENS NYHETER in Swedish 28 Jun 84 p 8

[Article by Leif Dahlin]

[Text] Foreign submarines violated the borders of Swedish territorial waters 25 times last year. This is, according to the defense staff's public statistics of incidents for 1983, a very high figure.

In comparison it can be stated that 52 violations or so-called possible violations were noted in 1982. In regard to violations by surface vessels and military aircraft NATO is just as guilty as the Warsaw Pact (WP).

The defense staff points out that the activity of both military blocks was normal in 1983. Radio intelligence by WP vessels in the south Baltic Sea and on the west coast has declined somewhat compared to 1981 and 1982.

Surface

Altogether there were 30 violations or probable violations by surface vessels. That indicates an unchanged number as compared to 1982. Verified violations were noted on five occasions. Three of the vessels were NATO, one on one WP, and one from another country. In regard to so-called passages without prior application WP vessels were guilty in 15 cases and NATO eight times.

Passages of this kind decreased from 41 in 1982 to 25 last year. One of the reasons for the sharp decline might be the fact that foreign countries have more information on our access rules requiring prior application.

The defense staff says that foreign under-water vessels violate Swedish territorial waters to an extent which is still at a high level. The numbers of observations of submarines, submarine-like objects and such maritime phenomena was very high.

The greatest concentration was during the period May-September and in November. Waters around Tore, North Kvarken, between Harnosand and Hudviksvall, plus archipelagos of Uppland, Stockholm, Sodermanland and Ostergotland, East Gotland, Blekinge and Oresund were involved. Extensive

resources have periodically been utilized in attempts to force the vessels to surface.

However, in all cases the vessels have succeeded in escaping without being identified.

Air Space

Air space violations were 29, one more than in 1982. The greater part of the violations occurred south of Skane. Twenty-five violations were by NATO and three by WP.

But what about Swedish military aircraft and vessels? Are they never guilty of violations?

Yes indeed. On one occasion a sailboat belonging to the Swedish navy broke the Danish rules on access to Danish territorial waters. This stemmed from the fact that the trip plan had not been forwarded.

Finland has also complained that a Swedish military aircraft violated Finnish air space on one occasion. Swedish investigations indicate, however that we did not have any aircraft in the alleged air space at that actual point of time.

6893

CSO: 3650/240

BUDGET DEFICIT LESS THAN ORIGINALLY PREDICTED

Copenhagen INFORMATION in Danish 13 Jun 84 p 1

[Article by Stal: "The Government Deficit Less Than Expected in '84"]

[Text] The government expects a deficit of 43 billion kroner in 1985--5 billion less than in 1984.

In 1984 the national deficit will be 10 billion kroner less than the government expected in its budget proposal for 1984.

This was stated by the Minister of Finance Henning Christophersen (Liberal Democratic Party) on Tuesday following a government session devoted to putting the final touches on its budget proposal for 1985.

"For 1984 we had a budget that set the deficit at 58 billion kroner. Now that half of the year has almost gone by we can see that the deficit will amount to only 48 billion kroner. That is a continuation of the trend from 1983. In the budget proposal submitted for 1983 the deficit was set at 69 billion kroner. Now that the final figures for 1983 are in, it turns out that the deficit did not amount to 69 billion kroner, but to 55.5 billion kroner," said Henning Christophersen.

Christophersen also stated that the budget proposal now approved by the government will have a deficit of 43 billion kroner--i.e. 5 billion kroner less than in 1984.

Operation Was Successful

"Our deficit is now strictly blamed on the government's interest payments. This year the cost of interest will be 49 billion kroner and the deficit 48 billion kroner. If we did not have to pay interest there would--for the first time in many years--be a surplus of 1 billion kroner. We only have to go back to 1982-83 to find a totally different structure in the government's deficit. At that time the government's general operational expenditures made up the major part of the deficit. This clearly illustrates what has happened: It has been possible to eliminate that part of the deficit which was caused by excessive operational expenditures and unsatisfactory

revenues. We are now approaching the point where the so-called interest curve is broken," said Christophersen.

"This is of great importance for Denmark's international credit rating. We are now about to have a budget deficit which ranks us in the middle group of nations we usually compare ourselves with."

In regard to the upcoming collective bargaining negotiations and their decisive impact on the government's expenditures:

"If we get a sensible agreement our interest payments will almost stop growing in 1985"

- What percentage does the minister of finance predict in wage development in 1985?

"That I can't say. We will have to arrive at that through negotiations. But it is not very much that will be at stake."

- What percentage?

"I do not believe that it would be helpful for the outcome of the negotiations if we at this time already revealed all our trade secrets. That is something you never do," said Henning Christophersen.

9349

CSO: 3613/184

ECONOMIC

DENMARK

ELECTRONICS INDUSTRY IN DESPERATE ECONOMIC SITUATION

Copenhagen BERLINGSKE TIDENDE in Danish Sect III 18 Jun 84 p 9

[Article by Karin Kaas: "The Clock Nears Midnight For Danish Electronics Industry"]

[Text] Millions of jobs depend on whether or not the Common Market industries can develop information technology at the same pace as the United States and Japan.

"The clock is five minutes before midnight for the Danish electronics industry unless we invest now in information technology.

Department chief at Elektronik Centralen Birger Schneider does not leave Denmark much time to think about this--we are already late, he says, and supports his statement by saying that Information Technology (IT) today already is a significant industry comparable to, for example, steel and car production. In 1990 this sector will be--if not the most important--certainly one of the world's most important production sectors.

Recently Birger Schneider spoke at a seminar on the subject of Information Technology arranged by the Council of Technology in connection with its technological development program about to start with a price tag of one and-a-half billion kroner of public funds and 5-600 million kroner from the business sector. He demonstrated the expectations for the coming industrial revolution by forecasting the market's development.

Nine Percent Growth Rate Annually

The world market for electronics is estimated to increase from 2,850 billion kroner in 1982 to 6,100 kroner in 1992, corresponding to a yearly growth rate of about nine percent. In addition, information technology has considerable influence on productivity in other industrial areas from agriculture to space industry. Within the Common Market 6 percent of the gross national product come from the IT industry while another 29 percent come from sectors which are extensive users of IT, e.g. bank operations. Another 20 percent come from industries where IT has considerable influence at the competitive level, such as the textile branch. In total, Information

Technology has left its mark on about 65 percent of the economic activities in EC today.

"Millions of jobs depend on whether or not the EC industries will succeed in developing IT at the same pace as the United States and Japan. Today more than 4 million jobs are already directly dependent on the EC's industrial capabilities in that sector, and this number will continue to rise. These figures have to be viewed against the background of a community with 12 million unemployed," says Birger Schneider.

"Europe is hard pressed in the IT field these years. The European industry only has 10 percent of the world's market and covers less than 40 percent of its own needs of IT technology. Or--stated in a different way--more than half of the IT technology we use in Europe is developed and produced in the United States and Japan. The low share of the market results in sales and profits being insufficient to insure reasonable investments in the future."

Yesterday's Products

Birger Schneider says that even if the EC's IT-industry today uses about 40 billion kroner annually for research and development, it lags far behind other competing nations, and that the investment is not in reasonable proportion to the market it aims for. In that connection he finds that the 12 billion kroner over five years allotted to the European ESPRIT-program, aimed at making Europe competitive with the United States and Japan, very limited. That corresponds to about 6 percent of the total research and development for IT in Europe.

"Increasingly European firms deliver obsolete products, such as mechanical and electrical telephone exchanges instead of digital, and Hi-Fi components instead of personal computers. In an industry where technological progress happens with incredible speed, Europe falls behind--among other reasons--because of its slow change-over ability. Today the average delivery time for an IT product can be up to three years and the development time about 18 months. ESPRIT is intended to be the catalyst which will reduce development time and increase the speed of technological transfer between individual EC countries.

He does not believe that the introductory point, or copying effect of Information Technology in Denmark is particularly affected by whether we establish a national IT program or not. That is determined by external circumstances. But a national program will have considerable influence on whether or not Danish firms will have a reasonable part of research and development in the technology. He emphasizes that the bottom line will be the question of how many jobs will be assured in development or production.

"A striking distress area for Denmark is in the component support for IT industry. Here we have a clear reflection of the European situation. When the lack of--or a weak--component industry directly can be linked to a weak IT industry, then that sector must be strengthened. Even if we do not necessarily have to copy Swedish circumstances maybe we can learn something from the fact that Sweden today invests just as much in microelectronics as we are thinking about investing in the entire IT-field," says Birger Schneider.

CAREER PROSPECTS TO REMAIN DIM FOR UNIVERSITY GRADUATES

West Berlin TAGESSPIEGEL in German 8 Apr 84 p 30

[Article by Uwe Schlicht: "No Solution in Sight; More than 100,000 Unemployed University Graduates in 1983"]

[Text] Opening up promising career opportunities for those persons born during the baby-boom years will remain a difficult problem in the years to come. Youth unemployment, unemployment of university graduates, but above all unemployment for young adults between the ages of 20 and 25 have increased substantially along with the economic crisis. Anyone familiar with population statistics could already foresee years ago that the expansion in education would bring young people more than just advantages and expanded opportunities. The disappointments facing those in search of an appropriate career position after lengthy studies in school and at college were also foreseeable. They will increase even more because the number of students is going up, not down.

For years, optimists have pointed out the great successes achieved by university graduates in the past when 50 to 70 percent of graduates were still being hired for positions in public service. The SPD's education policymakers in particular persisted in the belief that this rosy situation could continue indefinitely into the future. Warnings by the Minister of Finance that past hiring rates were no longer possible financially and that instead of 60 percent only 15 percent of university graduates would still be needed fell on deaf ears or were passed off as "conservative." A society based more and more on increasing knowledge would require even more university graduates in the future than previously, so it was said. This is in fact still true today, but the question is, which areas will require a growing number of university graduates in the long-run and which areas will not. The assertion that the unemployment rate of 5 percent for university graduates is still lower than the overall unemployment rate of 8.6 percent cannot conceal the fact that dangers loom for the future. For the very first time, the number of unemployed university graduates surpassed 100,000 during 1983. At the time when warnings about increasing unemployment of university graduates first began to be heard during the 1976/77 recession, the number of unemployed persons holding a university degree was still between 36,800 and 39,700.

If one bears in mind that the annual number of first-year students will increase from 225,000 now to about 260,000 in 1986 and will begin to decrease

again only around 1992, then approximately 2 million university graduates can be expected during the coming decade. Where will they find jobs?

There remains almost no single major job category for university graduates which has been spared warnings by the professional associations of declining career chances. The advice thus being given to current or future students is that there is no guarantee that salaries or job positions will correspond in every instance to the educational level attained, that studies should be kept as brief but as thorough as possible, that more emphasis be placed on a general rather than a specialized education, and that one should possess additional qualifications such as some knowledge of computers and excellent command of at least one foreign language, or else double qualifications combining a completed apprenticeship with university studies if possible. How all of this is to be accomplished in a shorter time period than before is still a riddle.

Of the 105,400 university graduates unemployed in 1983, especially high proportions are attributable to the following occupations: In 1977 there was a total of 5,702 unemployed teachers; that figure has already risen to 24,358 in 1983. The number of unemployed engineers holding degrees from universities or technical institutes increased from 11,170 in 1977 to 19,858 in 1983, this despite an intensive campaign among school leavers urging them to pursue engineering studies if possible. In the case of social workers and occupations related to social services, unemployment increased from 2,331 in 1977 to 8,060 in 1983. In addition to these occupations where the situation is particularly striking, a few other trends in unemployment are noted in the following table:

	<u>1977</u>	<u>1983</u>
Chemists, Physicists, Mathematicians	1,601	3,460
Psychologists	1,000	2,832
Political Scientists	871	2,768
Legal Consultants	1,568	2,838
Graduate Economists and Social Scientists	1,577	2,130

The situation is especially difficult for those starting a career and possessing a technical institute or university education; for this reason, unemployment of graduates in this age group is particularly high. The same is also true for those between 20 and 25 years of age, who are no longer shown in the usual West German statistics as unemployed youth, but as adults. The problems of this age group are being completely ignored in public debate. In this instance, other countries are much more forthright. In the OECD's comparative statistics, youth unemployment up to age 25 is included, thus raising consciousness of the problem. Unemployment of this age group is in fact much higher than for young people under 20 years old who are the who are the recipients of special attention in the Federal Republic.

Of all age groups, the unemployment rate of 13.3 percent for those aged 20 to 25 was the highest, well above the overall unemployment rate for 1983 of 8.6 percent. The next age group of those between 25 and 30 is also in worse

shape than average with an unemployment rate of 11.3 percent. In absolute numbers, this is the picture for the 3 youngest age groups:

Unemployed persons less than 20 years of age	203,442
Unemployed persons between 20 and 25 years of age	419,892
Unemployed persons between 25 and 30 years of age	332,354

Quick solutions of a legal nature, as it is euphemistically called since the change in administrations, will almost certainly bring about no improvement. The cherished formula is: We have too many students and will have even more in the future, therefore we will make access to the universities more difficult. This is only an armchair solution because in view of the millions born each year in the past, nobody has yet been able to provide an answer to the question of finding jobs for all of those school leavers who have found neither an apprenticeship in the trades nor a place at the universities. Already in 1983, the economy suffered under the pressure of 677,000 new apprenticeships. More than this can hardly be expected in the future. One has only to imagine the situation if an additional 70,000 persons entitled to attend the universities had instead been added to the 49,000 applicants for whom apprenticeships were unavailable in 1983. These 70,000 persons are namely the total number of those who would be denied entry to the universities if it were desired to roll back the number of new entering freshmen from about 225,000 in 1983 to the 155,000 first-semester students during the 1970s. The number of those without any training or subject to long waiting periods before obtaining occupational training could only increase even more. The "legal measures" of the CDU/CSU and FDP administration in creating the student aid hurdle have even now already caused enough difficulties.

12412
CSO: 3620/366

SURVEY OF ECONOMIC GROWTH IN FIRST HALF OF YEAR

Madrid ABC in Spanish 5 Jul 84 p 59

[Article by Vicente Clavero]

[Text] Throughout the first half of 1984, the Spanish economy grew between .5 and 1 percent more than the government had anticipated for the year as a whole, due almost exclusively to the improvement in the foreign sector, according to estimates of Ministry of Finance experts. Officials used data collected for the report that Miguel Boyer wants to submit to the Socialist Government before the official recess in August.

The work of officials must necessarily be based on statistics already known to public opinion, statistics covering the period extending as far as May and projections for the whole six-month span. The figures were put together based on observations of the evolution of major economic trends in previous years. For example, it must be realized that the latest official figures on investments date from February and those on the active population from March, although there is progress corresponding to April. Logically enough, this makes projections difficult and gives predictions a strictly provisional nature that is consequently subject to possible error.

Nevertheless, reliable sources consulted by this newspaper calculate that the growth in the gross national product (GNP) from January to June was from 3 to 3.5 percent, which presumes an upward trend oscillating between .5 and 1 percent. At the beginning of the year, the government had predicted an expansion of the economy of 2.5 percent for 1984. This increase in the GNP is not expected to continue at the same rate given the nature of its causes, according to the same sources.

The growth is attributed by experts to the quite noteworthy development of Spanish exports and the decline noted in foreign purchases. Sales during the first six months increased by some 20 percent and since they represent one-fifth of the GNP, it is estimated that their contribution to the latter's increase is 4 points. Imports make up 21 percent of the economy and have dropped about 2 percent, adding half a point to the increase. All this means that if internal demand had remained stabilized, the increase in the national product would be 4.5 percent, enough, experts say, to generate jobs.

However, domestic demand was depressed during the first six months to a very great extent, meaning that it neutralized between 1 and 1.5 points of the improvement in the foreign sector, with economic expansion situated at about 3 or 3.5 percent. Two of the determining factors in this contraction in demand are undoubtedly the high unemployment index and the wage moderation promoted by the Ministry of Economy and almost inevitable due to the lack of a framework agreement. This fact has also delayed the signing of agreements, with the resulting negative repercussions on purchasing power during the January-June period. It is estimated that the purchasing power of wages dropped 2 percent during that phase.

Pessimists who do not believe in a similar evolution of the GNP during the second half of the year advance several arguments. First of all, they doubt that imports and exports can maintain their current rate. The greatest decline to date are energy and food purchases, which one would not imagine would continue to decline given the recovery of economic activity and the foreseeable rise in internal demand consistent with the closing gap between income and prices. Sales would not likely continue at their current rate because Spanish markets abroad are increasing by only 7 percent, which would lead one to think that exports are still rising as a result of the December 1982 devaluation, which effect may cease to be felt during the fourth quarter.

11,464
CSO: 3548/290

EEC SETS AGRICULTURAL, INDUSTRIAL TRANSITION PERIOD

Madrid ABC in Spanish 5 Jul 84 p 61

[Article by Andres Garrigo]

[Text] Brussels--The plenary session of the Economic and Social Committee (CES) of the EEC has proposed conditions to Spain in membership negotiations that are more favorable than those given previously by the Council of Ministers of "The Ten": a transitional period of 7 years for both industry and agriculture, without phases or discrimination.

The Economic and Social Committee is the Community institution made up of 156 members representing the interests of unions, businessmen, consumers, liberal professions and other groups of the ten member countries. Its rulings go to the Council and Executive Commission of the EEC and, in this case, to the Spanish Government and groups involved.

The ruling, adopted yesterday by a broad majority, is based on the hypothesis that "between now and 30 September 1984, negotiations for the membership of Portugal and Spain will have concluded in an essentially positive manner and that membership will take place after 1 January 1986."

The expansion of the EEC is "politically necessary," it is said, for it enriches the political, cultural and historical dimensions of Europe, broadens its outside field of action and improves the North-South balance."

Treading the rocky agricultural ground, the CES separates itself from the official posture of the Community, consisting in a transitional period of ten years for produce and fruit, in two phases of four and six years, and proposes a period of only seven years, "based on a three-year exemption for sensitive products (milk and meat) and gradual financing (by the EEC) of the cost of Spanish agriculture, which for wine and olive oil would be extended to eight years."

Echoing Spanish protests regarding Community requirements, the CES asks for "a special solution for agricultural products with respect to which Spain views as extremely discriminatory the fact that other countries not belonging to the EEC enjoy essential preferences from which Spain will not benefit even after joining." Actually, because of the system of phases, Spain would continue to be treated, even as a member, as a third country and its fruit would pay more customs duties to the EEC than that from Morocco or Israel.

The Committee states that "current discussions on fishing should not give rise to a delay in negotiations." This means, according to its secretary of the foreign relations section, Arie Van de Graaf, that if there is no solution by September, the negotiations will have to be concluded without fishing and the discussion would continue later. Furthermore, the transitional period should also be a maximum of seven years instead of the ten required by the EEC.

In the industrial sector, the Committee accepts the seven years, which the EEC Council already accepted in Luxembourg in June, but not with an accelerated decommissioning of 55 percent of the total in the first two years. It proposes a reduction in the Spanish tariff of 15,094: 83.59-7-) [sic] 15 percent annually during the first six years and 19 percent the seventh year. No "skimming" -- accelerated reductions -- is requested except for [? cosos] which would have a reduction of 25 percent in the beginning and five reductions of 15 percent annually.

The textile sector would be under the EEC-Portugal accord: control of trade for three to four years, with the reciprocal protection clause.

11,464
CSO: 3548/290

FIRST QUARTER GNP GROWTH LARGELY DUE TO EXPORT BOOM

Stockholm SVENSKA DAGBLADET in Swedish 26 Jun 84 p 21

[Article by Elisabeth Sandlund]

[Text] For Sweden as a nation the first quarter of 1984 was great. On the other hand, for the Swedes as private individuals the economic situation has deteriorated.

Thus the recent report from the national accounts of the Central Bureau of Statistics (SCB) can be summarized. For the time being the figures estimated by the SCB are preliminary.

The Gross National Product (GNP) very drastically increased in the first quarter--a whole 5 percent compared with the same period in 1983. Compared with the last quarter of that year, the increase was less but still considerable, 2 percent.

Half of the increase in the GNP stems from inventory developments. Inventories went down sharply in the first quarter of 1983. Industry has, to be sure, reduced its inventory this year but at the same time business has increased its to an even greater extent.

Export

The developments in exports also strongly added to the growth of the GNP. Overall exports increased by 11 percent and the export of goods by 14 percent. Imports, on the other hand, increased by only 6.5 percent.

Even private consumption increased during the first quarter by 1.5 percent despite the fact that household real income decreased. Money income increased by a little more than 6 percent, but prices increased more rapidly, by 9 percent. However, wage payments in accordance with the 1984 contracts are not included. The increase in private consumption was in capital goods. The purchase of such goods was in 1983 unusually low, among other reasons because of the increase in the sales tax at the turn of the year. For example, the purchase of automobiles increased by 13 percent during the first quarter of this year, and the purchase of other capital goods such as furniture, electronic goods increased by 3.5 percent. On the other hand,

we bought less food than a year ago. The decrease was a little more than 2.5 percent. Wine and liquor consumption decreased the most, by 8.5 percent.

The increased export and domestic demand was equalled by a large increase in production in the economic sector, overall 6.5 percent. Production in the mines and manufacturing plants increased by over 8.5 percent. The remaining production of goods increased by almost 6 percent, and trade, transportation and private services by 5 percent.

The public sector increased its production by 2.5 percent.

This growth, however, did not have any noticeable effect on employment. The number of people employed increased by hardly 0.5 percent over all. A higher figure, an increase of 3.5 percent, was noted in only one area, in the municipalities. The youth sector accounts for 1.5 percent of this.

6893
CSO: 3650/240

REPORT, COMMENTS ON NEW FACES IN ECONOMIC POLICY

Extensive Changes in Economic Bureaucracy

Istanbul DUNYA in Turkish 5 Jul 84 pp 1,9

[Text] Ankara--Six months after taking office, the Ozal government has initiated an extensive reshuffling of the top officials of the economic bureaucracy.

The far-reaching operation of reappointments and staff changes was begun following increasing discontent within the Undersecretariat of the Treasury and Foreign Trade [UTFT]--which was formed and organized when the government took office as the primary institution to chart economic policy--and frictions that surfaced within the government. The fact that no coordination could be achieved between treasury personnel with Finance Ministry backgrounds and foreign trade personnel with Commerce Ministry backgrounds and the fact that well-known differences between Undersecretary Ekrem Pakdemirli and Deputy Prime Minister Kaya Erdem became irreconcilable led to the intensification of work to replace Pakdemirli's staff.

Within this framework, Ozer Cinar and Tevfik Altinok, both Deputy Undersecretaries of the Treasury and Foreign Trade, resigned from their posts and Pulat Afsar, Director General of Banks and Foreign Exchange, was removed from office. Afsar is expected to be named as Counsel to the UTFT.

According to information obtained from high-ranking officials in the Ministry of Finance and Customs and the UTFT, replacements and reappointments of technical staff at the Undersecretariat--which have taken on the character of an "operation"--have become more widespread.

Within the framework of the changes in the UTFT, all personnel at the level of "Deputy Undersecretary" and "Director General" will be replaced.

Yener Dincmen, currently serving at the World Bank department of the Foreign Economic Relations Directorate General, has been named to replace Tevfik Altinok who resigned as Deputy Undersecretary. The position vacated by Ozer Cinar and the third Deputy Undersecretary position which has been vacant for some time are still awaiting appointments.

Dincmen, who was named to replace Tevfik Altinok as Deputy Undersecretary, cut his vacation short in Bodrum and returned to Ankara to begin his tenure.

The identities of the individuals who will be appointed to the remaining two Deputy Undersecretary positions are still not known.

It has also been learned that the six directors general in the UTFT will also be replaced. Pulat Afsar, Director General of Banks and Foreign Exchange, was the first director general to be removed from office. While Afsar has been appointed as Counsel to the UTFT, it is now certain that he will be replaced by Ertugrul Senay, special counsel to Deputy Prime Minister Kaya Erdem.

According to the information obtained, Director General of Public Financing Okmen Atamyildiz, Director General of Foreign Economic Relations Hikmet Ulugbay, Director General of Exports Armagan Asena, Director General of Imports Fevzi Sen and Director General of Agreements Dincer Asena will also be removed from office in the coming days. It is reported that the "treasury operation" will be completed after two or three department heads are also removed from office.

The names of the replacements for the directors general to be removed from office have been announced. Accordingly, Director General of Exports Armagan Asena will be replaced by Deputy Director General of Exports Ugur Ercan, Director General of Imports Fevzi Sen will be replaced by Deputy Director General of Imports Yalcin Burcak and Director General of Agreements Dincer Asena will be replaced by the Turkish Trade Attaché in Paris, Ibrahim Unlu.

It has been disclosed that Director General of Public Financing Okmen Atamyildiz and Director General of Foreign Economic Relations Hikmet Ulugbay will be named to economic attaché positions overseas, but it is not yet clear who will replace them.

Appointments in the Ministry of Finance and Customs

Meanwhile, it has been learned that there will be new appointments in the Ministry of Finance and Customs. According to information obtained from high-ranking ministry officials, the position of Director General of Revenues, --vacated some time ago by Aykon Dogan who was appointed as Deputy Undersecretary of the Ministry of Finance and Customs--will be filled by Altan Tufan, Chairman of the Council of Accounting Experts. Tufan, who previously served as Director General of Bag-Kur [Social Security Association of Tradesmen, Artisans and Independent Workers], was named as head of the Council of Accounting Experts in 1983.

Metin Ozsahin, who served as Acting Director General of Revenues after Aykon Dogan's departure, is expected to be appointed as Director General of Personnel. In these changes, attention has been paid to possible "differences" between Tufan and Ozsahin who is currently Deputy Director General of Revenues. For this reason, it has been deemed proper to appoint Ozsahin as Director General of Personnel.

One short-term outcome of the changes in the main machinery that maps the economic policies of the Ozal government will be that the adverse developments observed in the first half of 1984 will be "attributed to bureaucrats outside the Motherland Party and the government."

One of the sources of the current "disputes" is the establishment of the UTFT after the Ozal government took office and the inclusion of the Directorate General of the Treasury--previously affiliated with the Ministry of Finance--in the UTFT which comes directly under the jurisdiction of the Prime Minister. The polarization of treasury and trade personnel after the establishment of the UTFT and the growing rift between them is seen as a major cause of the current differences and problems.

Impact of Changes Examined

Istanbul DUNYA in Turkish 5 Jul 84 p 1

[Editorial: "Who Will Conduct the Economy?"]

[Text] A dispute that managed not to surface for a long time, has finally become a topic of public debate following reports appearing in the press on the first day of the holidays.

The reshuffling operation at the institutions that map economic policy--which was begun immediately after the Ozal government took office and which was described as an unending new reform movement in bureaucracy--has begun to yield the anticipated results. The operation, which was initially explained as a difference of style between the Deputy Prime Minister and the Undersecretary of the Treasury and Foreign Trade and which eventually resulted in the replacement of key personnel at the newly established UTFT despite the opposition of the Undersecretary himself, will continue to keep alive on the agenda of the press the question of "who will conduct the economy" in the coming days.

It is a well-known fact that the Ozal government's decisions on the management of the economy have caused uneasiness in many circles in the government sector, primarily in the traditional "finance bureaucracy." When criticism stemming from difficulties in taking and implementing economic decisions in the private sector was compounded on this uneasiness, the emergence of the picture we are seeing at the UTFT today became inevitable.

The problem appears to have been resolved for the moment through certain interim measures. While a number of high-ranking UTFT officials have been replaced, the "superministerial" Undersecretary has kept his post "for the time being." However, Mr Pakdemirli can no longer be expected to maintain his old stature and to manage the economy as he was used to in the light of changes in his authority and staff, and, particularly, he cannot be expected to "restrain inflation" in accordance with the wishes of the Prime Minister.

As a result of the confusion that has emerged, the economy no longer has two heads consisting of the Prime Minister and the Undersecretary, but many heads, the most important of whom are the Prime Minister, the Deputy Prime Minister, Minister of State Ahmet Alptemucin and Minister of Finance Vural Arikhan. In this multitude of leaders, Professor Pakdemirli can no longer be expected to approach issues in his well-known style and to propose definitive solutions. Pakdemirli's solo performance in the economy is now being replaced by a choir of many voices.

The point that has been reached is a sad ending for a political crew which started with the ideal of economic liberalism and which won broad popular

support for this ideal. Barely 6 months in office, the Motherland Party administration, which consolidated all economic authority in one office to make the market economy functional and which planned to manage foreign trade, the home market and the government treasury through that single office, is now struggling not to be knocked out by the 600-year-old Ottoman bureaucracy. "If the UTFT cannot accomplish what is expected from it in the inflation front", the next phase that can be expected is that the classical school of finance will declare its reassumption of the stewardship of the treasury and foreign trade.

Erel Suggests Pakdemirli Should Resign

Istanbul MILLIYET in Turkish 5 Jul 84 p 6

["Telex" column by Teoman Erel: "What is Pakdemirli Waiting for?"]

[Text] Where were we?

We had noted the debate in government circles about "whether Turkey shoul be plucked screaming with pain or without screaming", and we had given an example about the debate as echoed in the press. Two attitudes were clashing:

1. To make the economic program being implemented a tolerable and reasonable one by conforming it with the democratization process.
2. To refuse any compromises in the program and to risk running at odds with the democratization process.

What do we see when we lift our eyes from the debate in the press and look at the players on the stage?

Surprise! The differences and the disputes have begun to surface there too.

How soon and how surprising!

In the Ozal-Pakdemirli dispute, the Prime Minister appears to be defending the first of the two attitudes stated above, that is, he is inclined to turn the economic program into a reasonable one which will conform with democracy.

Pakdemirli, . on the other hand, represents the tough and uncompromising bureaucrat who wants to maintain harmony with overseas.

It is interesting that while the Prime Minister, who is trained as an engineer and who has been raised as a bureaucrat, tries to find a balance among the requirements of the policy he has begun to comprehend, the Undersecretary, who is also trained as an engineer and who was granted full authority in economic affairs, has taken a stance on behalf of certain parties and has openly disclosed it at a time when talks with the IMF are in progress and when it has been announced that the Deputy Undersecretary representing Turkey at these talks will be removed from office.

But rather than painting blurry pictures, let us look at well-developed photographs.

During his vacation in the Aegean, Prime Minister Ozal not only heralded a softening in prices in coming days, but also refuted exaggerated rumors about the administration:

"When looking into the future, we see that democracy in Turkey will not be interrupted in coming years. I believe that democracy in Turkey will not be interrupted again."

If the statements consisted of only these remarks, not much would be understood. But, Ekrem Pakdemirli disclosed the dispute he lost to Ozal in remarks to HURRIYET, which were reported in CUMHURIYET on 13 May:

"My passport has been taken away. From now on, I will stay home and tackle the inflation problem. My objection was that, I said: 'The economy will suffer if we cannot find foreign currency.' I said: 'What will happen to our foreign debts?' I said: 'I do not want to pay our foreign debts with new loans. Let us pay them by raising our exports.' But the Prime Minister insisted that I stay in Ankara and contended that inflation is more important. The decision is his." In his statement, Pakdemirli also talked about the concrete measures taken at the orders of the Prime Minister to control prices in the market.

Now let us turn to the most suspenseful part of the story. Just at this time, an American banker, emphasizing that he was speaking on behalf of "world finance circles", stated that he agrees with Pakdemirli's views rather than those of Ozal.

Bankers Trust Vice President Leigh V. Houghland's remarks, which when put side by side with Pakdemirli's statement gain a lot of significance, were reported by MILLIYET as follows:

"In my opinion, the inflation rate in Turkey cannot be reduced this year. If I were the Ozal government, I would first close the current accounts deficit and then turn to combating inflation. I would tackle domestic problems the last. World finance circles and credit organizations are not too concerned about the extent of inflation in Turkey. The issue that is most closely watched by financial circles is Turkey's foreign trade deficit."

Not much is necessary to explain where the problem has reached. However, a reminder is necessary from a technical viewpoint. We caught the first clue of this conflict from State Planning Organization Undersecretary Yusuf Bozkurt Ozal who is slowly becoming a rival of Pakdemirli. The younger Ozal pointed out at the time that in the policy being implemented there is a conflict between the effort to increase exports and the struggle to reduce inflation. What he said was true: As exports increased fewer goods reached the domestic market. Moreover, currency devaluations designed to boost exports were having an inflationary effect at home. Then there were the hundreds of billions of liras poured into the market in the form of export receipts and incentives.

In this sensitive situation, it is natural that a freely elected government which has taken over from an emergency administration should listen to the cries of low and fixed-income groups and should pay greater attention to combating inflation.

On the other hand, it is not unusual that international finance circles should not be too concerned about the hardships suffered by our nation--"domestic problems" as the banker calls them--and pay more attention to the collection of their loans to Turkey. As Turkey repeatedly devalues its currency and pays its debts with foreign currency earned by selling its goods for less and less, foreign creditors can only say "bravo."

What we resent is Pakdemirli's situation. His passport has been taken away. In other words, he is not trusted. While his economic views are refuted, his deputy is appointed to a post overseas. In other words, he does not have much authority. We also learn from Pakdemirli himself that the situation of all six of his directors general and all three of his deputies has been made uncertain by a decree with the force of law.

But Mr Pakdemirli says: "I will not resign." Or is he waiting for his shoes to be placed at the door to decide that "it is time to leave"?

Or is he waiting for something else?

9588
CSO: 3554/270

CREDIT PROCUREMENT PROCEDURES STALL HOUSING LAW

Istanbul CUMHURIYET in Turkish 5 Jul 84 pp 1,11

[Text] Ankara--In view of the fact that procedures concerning the procurement of credit by prospective borrowers from the Public Housing Fund have not yet been determined, processing of applications has not yet begun. Vahit Erdem, Chairman of the Public Housing and Public Partnership Council, disclosed that the Real Estate Credit Bank is continuing its preparations. Meanwhile, Dogan Cagatay, Vice President of the Real Estate Credit Bank, said that the necessary documents have been obtained from applicants for credit, but that no action is being taken to process the applications. Cagatay also added that a "protocol" among banks is necessary for public housing loans.

Principles governing the loans to be given to homebuilders in accordance with the Public Housing Law and the interest rate they will carry have not been determined yet. It has been reported that an agreement has been prepared and will soon be printed. Turkish Real Estate Credit Bank Vice President Dogan Cagatay, whom we consulted on this issue, said that the principles stated in the Council of Ministers decree published in the Official Gazette on 23 June will be in effect, but that these principles must be specified in detail. Cagatay noted that this work has not yet been carried out. He added that a "protocol" between the Real Estate Credit Bank and other banks is necessary to start this work and that the protocol should clearly state which banks can extend loans, in what proportion and under what conditions. Cagatay said:

"Loans to be given out in accordance with the Public Housing Law will be an operation which will be outside the banks' normal affairs. This is a sizeable job. To conduct this work, other banks must hire additional personnel and must prepare an implementation program to be applied across the country."

Cagatay stated that his bank has conducted credit operations by its own means since 1946, that these operations will now be based on new rules and that "for that reason there is no problem" for his bank.

Noting that agreements in connection with the Public Housing Fund have been prepared and sent to the printers and that talks are in progress on the issue of maximum and minimum levels for single family home loans, Cagatay said that loan applicants to the bank have been instructed to send the necessary documents to the Directorate General of the bank. According to Cagatay, the documents submitted by applicants will be accepted by branches, but no action will be taken on actually "extending the loans."

Cagatay ended his remarks by saying:

"The Turkish Real Estate Credit Bank can certainly perform this function. But we do not plan to monopolize this issue and institute our own procedures. A work of this size must be carried out with the participation of other banks and the help of the applicants."

Meanwhile, Vahit Erdem, Chairman of the Public Housing and Public Partnership Council, said that applications for loans from the Public Housing Fund will begin coming in in a few days. Erdem added that legislative work in connection with the "Public Partnership Fund" is also under way.

Responding to the questions of the CUMHURIYET correspondent, Erdem said that the Real Estate Credit Bank is continuing work on the necessary preparations and that this work will be completed in one or two days. Erdem stated that applications for loans from the Public Housing Fund will be accepted as soon as the Directorate General of the Real Estate Credit Bank gives the necessary instructions to its branches.

Erdem also stated that legislative work is continuing on the sale of revenues derived from the Bosphorus Bridge, dams and certain State Economic Enterprises. Erdem stated that he cannot say exactly when the revenues of the Bosphorus Bridge will be put on sale and could not predict when the legislative work will be completed.

9588
CSO: 3554/271

BANKING SECTOR CRISIS SPARKS FEAR OF FAILURES

Istanbul CUMHURIYET in Turkish 5 Jul 84 p 9

[Text] It has been charged that conflicting and ambiguous statements by high-ranking government officials about banks is hurting the banking system. Bank directors who have been asked not to make any public statements have faithfully complied with that request, but in private conversations they air their complaints and underscore the drawbacks of "imprudent talk" about banks by individuals who are influential in the conduct of the economy. They state that at a time when bank interest rates are competing against inflation, statements that may discredit the banking system may have an adverse effect on the flow of deposits.

High-level Central Bank officials who are directly linked with the banking system are very careful in their statements about banks. Evaluating the current state of the banking system, Central Bank President Yavuz Canevi has stated that firms whose financial problems grew during the adjustment period after 24 January 1980 managed to pass their problems onto the banks and that, as a consequence, the problems are dominant today in the banking sector. However, in speeches on several occasions, Canevi has pointed out that he believes that the banks can overcome their problems if they are given time. It should be noted that Canevi has been careful to avoid using an accusatory tone against banks in his statements.

Meanwhile, Central Bank Deputy President Zekeriya Yildirim said in a speech at a seminar last week that banks which ignored the risk factor for a long time have been forced to account for risk only in recent years and that they have begun focusing on foreign operations also very recently. Yildirim added that although Turkish banks acted too late on these two issues, the progress they have achieved in recent years has been encouraging and that the banks must be judged with some leniency.

In contrast to the cautious attitude displayed by Central Bank officials with respect to the special and sensitive situation of the banks, in speeches last week, Undersecretary of the Treasury and Foreign Trade Ekrem Pakdemirli and Minister of Industry and Commerce Cahit Aral talked about the "disappearance" or "collapse" of banks that do not take the necessary measures. These remarks were greeted with bitter smiles in banking circles.

Complaining about the high cost of attracting bank deposits in Turkey, Pakdemirli said at a conference: "If our banks cannot reduce their expenses for

attracting 100 liras of deposits to 3 liras and if they do not shape up, some of them will cease to exist. We will shape some of them up by using pressure." These remarks once again revived the question: "What new measures and arrangement are being planned for banks?"

Two days after Pakdemirli's statement, a speech by Minister of Industry and Commerce Cahit Aral at the University of Istanbul reimposed the same question on the public's mind. Referring to the issue of high interest rates, Aral said: "Firms and banks which cannot adapt to the high-interest rate policy will collapse. They will collapse even if they are very large firms, corporations or banks."

Aral's speech, coming on the footsteps of Pakdemirli's statement, and particularly his remarks about "even very large banks will collapse" has led to a variety of rumors in the market and speculation on the future of certain banks.

It was obvious that such statements and speculation could only hurt and not help the banking sector.

Experts who are closely familiar with the banking sector admit that banks have many aspects which deserve criticism, but they resent officials who make statements that encourage speculation rather than doing something to alleviate the situation. Bank officials note that at times when such speculations are widespread a healthy and balanced deposit flow into the banks cannot be expected.

9588
CSO: 3554/271

DOGAN ON MONETARY JUGGLING DESPITE IMF SCRUTINY

Istanbul CUMHURIYET in Turkish 10 Jul 84 p 9

[Article by Yalcin Dogan in The Column "Comments": "200 Billion Yesterday and Today."]

[Text] Why should the act of "concealing money from the IMF", something that was done by almost every government in a variety of ways, cause now such a furor? Not to mention that almost a year has gone by meanwhile... Is it possible, furthermore, that the printing of money contrary to the agreement with the IMF which occurred a year ago could still be going on with different methods?

A "200 billion Turkish lira argument" has begun between the former and the actual Premier, Bulend Ulusu and Turgut Ozal. According to Ozal:"The 200 billion Turkish liras printed last year contrary to the agreement with the IMF were also concealed from the IMF." But to Premier Ozal's way of thinking the matter does not end there. Those 200 billion Turkish liras that were printed last year are to a large extent at the root of today's price hikes. Every time Ozal says:"The money printed last year has an impact on this year's price increases" he means the 200 billion Turkish liras which paved the way to the controversy.

This is what we know regarding the 200 billion Turkish lira controversy:

.When the IMF came to Ankara for the usual economic controls, the following operation took place: about 200 billion Turkish liras worth of additional currency were printed. And that money was concealed from the IMF.

.The additional money printed was used in 2 ways: first in the salvage operation of a few banks and then again to save a few firms.

.Ozal heard of this after he became Premier. In fact he discussed this question with the Chairman of the IMF European Section, Whittom, who came to Ankara after his election. Whittom's advice to Premier Ozal was:"Since the currency limits set by the agreement have been exceeded, a new agreement should be signed." But even before that meeting, the matter had been discussed at a lower level, that is with the Chief of the IMF's Turkish Bureau and he too offered the same advice. In fact, unless we are very much mistaken, a secret meeting with the IMF took place in London just for that reason.

This constitutes the "first act": namely that an additional 200 billion Turkish liras had been printed and that this amount had been concealed from the IMF.

And that, consequently, this "invalidated" in a way the agreement signed between Turkey and the IMF. A situation that went against the monetary agreement to be followed had been created.

This is what lies at the heart of the matter: the main part of the agreement signed by Turkey and the IMF for an exchange of information, also called a "Letter of Resolve", put the emphasis on "currency limits." In other words, Turkey was saying to the IMF: "I will use so much credit from the Central Bank." "I will distribute so much to the private sector, so much to the Treasury and so much to public institutions." And it undertook that kind of obligation as a government. For the agreement to be valid the amount of currency or the preset monetary limits had to be "respected." By printing an additional 200 billion Turkish liras Turkey stepped out of the IMF agreement.

Thus far Premier Ozal appears to be right. Because the cancellation of the agreement made the government's job harder. And it is even possible, as Ozal claims, that the additional money printed might have a definite share in today's price hikes.

Is it possible, however, that even today "similar juggling" by various methods could be occurring in Turkey's relations with the IMF? For instance, in the talks that were held with the IMF commission which left Ankara last week did not the question of "new methods of concealment" arise? For example, were not the amounts of money the Treasury drew from the Central Bank "shown not in Turkish currency but in dollars,"? And by doing this did not the Treasury appear to have drawn less money from the Central Bank than it really had? Consequently, were not the "monetary limits" agreed upon with the IMF exceeded? That is to say, did not an occurrence similar to that of the 200 billion Turkish liras take place last week?

Maybe none of this happened. Maybe all of this is "nothing more than idle speculation." But aside from last week, in Turkey's relations with the IMF for such a number of years, in fact under every government, even during the periods of the honorable Ozal's varied duties, did such "money games - paper games" never take place? Undoubtedly, they did.

Talk to the Finance ministers of various period to see what they have to tell you about this kind of "juggling." Ozal may be right about the 200 billion Turkish liras. But we are of the opinion that he should go on no further about the 200 billion Turkish liras "with the aim of finding excuses for today."

Who is to know how much money was concealed at the end of 1960 and in the last 6 months? But no political power "used" that the way Ozal did...

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ECONOMIC

TURKEY

OZAL, HP CLASH OVER ECONOMIC STABILITY PACKAGE

Istanbul CUMHURIYET in Turkish 10 Jul 84 p 9

[Passages enclosed in slantlines printed in boldface]

[Text] Ankara (CUMHURIYET BUREAU)-- Debates on the 5th 5-Year Development Plan began today in Parliament. Premier Ozal who submitted the Plan to the General Assembly said:/"The Plan has been elaborated to be in total accordance with the program of the government which will implement it."/ Ozal went on to say that today in Turkey /"there is no question of planning or of lack of planning,"/ adding that the Plan would be finally bringing radical solutions to Turkey's balance of foreign payments.

Ozal, who explained that their program gave serious importance to the Plan, pointed out that :/"Thanks to the Plan noticeable progress will be registered in Turkey's structural change."/

The Premier disclosed that while the Plan was being studied in the Budget Commission there had been complaints about time being too short but that existing conditions did not allow the necessary margin and that:/"the Plan had been elaborated within 6 months and submitted to the Assembly."/

Ozal continued as follows:

/"The Plan's fundamental aim is Turkey's development within a climate of stability. The emphasis will be on institutional reforms in the economic field. Production capacity will not be overlooked. In order to protect the consumer and offer good quality at stable prices in goods and services means of using capacity will be generated, investments will be completed. Fighting inflation is one of the Plan's chief principles. The rate of inflation has been targeted at 10% for 1989. While the share of foreign resources was 2.3% in 1984, in 1989 it will fall to 1.4%. The prevailing sector of development will be that of the manufacturing industry."/

/Aydin Guven Gurkan/ who spoke for the HP [Populist Party], used part of the 6-hour period allowed to the various groups to express their views on the overall Plan and praised it on the whole.

Gurkan said that planning to lower inflation to 10% in 1989 and that those 10%'s had been much talked about but that he believed:/"The honorable Ozal will no

longer be in power in that year."/

Gurkan joined in the protocol loge SODEP [Social Democratic Party] members /Yigit Guloksuz/ and /Birgen Keles/ who were following the debate and chatted with them for a while.

HP member Ziya Kazancioglu claimed that sufficient importance had not been given in the Plan to medical and health care and said:/"Even cannibals studied medicine and became doctors. And we are still attempting to give importance to this matter,"/ which caused some tittering. Kazancioglu also said:/"Any amount of damage that can be forestalled would a gain. Let the 3 parties get together and draw up a new Plan."/

While Turkan Arikан, who spoke on behalf of the ANAP[Motherland Party] group said:/"The Plan has made social justice its aim. It did not make exports its chief aim,"/ /Memduh Yasa/, who spoke for the MDP [Nationalist Democratic Party] also said at the beginning of his talk:/"We too stand for the same things, the same philosophy, the same system. And therefore we support it,"/ but he harshly criticized the way the plan had been drafted and he added;/"We disagree with the government on several points."/

The Deputy Premier, Kaya Erdem, who replied to the criticisms, said:/"We view a 6.35 growth rate as an attainable target."/

Debates will continue today.

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FOREIGN COMPANIES TO EXPLOIT OIL RESERVES

Athens I KATHIMERINI in Greek 6 Jul 84 p 7

[Text] The government is proceeding to a revision of the law on oil explorations and exploitation. As was announced on 5 July by the secretary general of the Ministry of Energy and Natural Resources, A. Papathanasopoulos (in a press interview at the DEP [Public Petroleum Corporation] offices), this will make it possible for exploration and exploitation of oil reserves to be entrusted to foreign companies which will finance the work.

As was reported, DEP will always control the entrusting of hydrocarbon reserves exploitation to foreign companies. It is now able to exercise control because it has acquired an adequate substructure in terms of equipment and scientific and technical personnel.

As concerns DEP's activity, it reportedly is nearing completion of three-dimensional geophysical explorations in the ocean area of Katakolon where an exploitable reserve of 10 million barrels of oil has been located. It was reported that the EEC has been asked to finance the completion of explorations and exploitation of the reserves.

In addition, DEP is continuing land drilling in the Gastouni area with a Romanian rig; it has reached a depth of 1700 meters. Also, DEP is drilling with a Hungarian rig in the "Neos Skopos," Serrai area, while two other drillings are going to be made in the Pyrgos area and others afterwards in the Ipeiros area.

It was also reported that DEP is going to make almost surface drillings (to 500 meters) in the Kirion, Zakynthos area where an exploitable reserve has been located which will produce one ton of oil a day. By exploiting it, local needs will be satisfied.

Finally, it was reported that DEP will probably drill in the Thermaikos Gulf at the end of 1984, with a foreign company collaborating as contractor. It will probably be paid with an exchange of Greek products.

The secretary general of the Ministry of Energy announced that the discussion about revising the contract for exploitation with the foreign partnership (Northern Aegean Company) exploiting the Prinos reserves will begin again at the end of July. The discussions concern the cost of the reserves' installations and the price of the oil.

ANKARA UPSET BY USSR BLACK SEA ECONOMIC ZONE EXTENSION

Istanbul MILLIYET in Turkish 27 Jun 84 p 7

[Article by Reha Muhtar: "We React to Soviet Decision"]

[Text] The USSR's extension of its "economic zone" in the Black Sea to 200 miles, based on provisions of the "Law of the Sea Treaty," is being described in Foreign Ministry circles as a "negative" initiative, and Turkey will reportedly prepare a "counter proposal."

The proposal being prepared to bring about changes in this decision, which amounts to giving the USSR the use of all economic potential above and below the seabed in a 200-mile area of the Black Sea, is reportedly based on the "common line" concept that allows for both countries to have equal use of the Black Sea.

Officials say: "The term 'economic zone' is a concept deriving from the recent Law of the Sea Treaty. Turkey is not a signatory of this treaty. Even if we were to accept the economic zone as fact, the Black Sea is not 400 miles wide. In some places, it is around 300 miles wide and, in others, less than 200. Turkey cannot, therefore, accept implementation along the lines the Soviets desire."

According to information obtained from Foreign Ministry officials, if the 200-mile zone which impinges on the fishing area of Turkish fishermen were to come under Soviet jurisdiction, Turkish fishermen would be allowed to fish by the Soviets only if there were a surplus in the Soviet economic zone. Moscow's decision would place at Soviet disposal the use of all resources, organic or inorganic, in this zone, in addition to fisheries.

The Soviets would thus be able to conduct and benefit from such efforts in this area, which is open sea used by both nations, as hydraulic energy production, the building and use of artificial islands, exploitation of all natural resources and deep-sea exploration. Turkey, however, would have no rights to this potential under the new statute.

This USSR decision does not yet create a problem for Turkish fisheries because the season has not begun. Officials, bearing in mind that the fishing season starts in September, said, "We believe the problem will be solved by that time."

The new Turkish proposal will be presented to the Soviets in the next few days, after which delegations from the two countries will discuss this important matter and the problem is expected to be resolved.

In the Law of the Sea Treaty that Turkey signed [as published], the economic zone is described as the area along the length of the territorial waters of the rights-holding nation and contiguous with its territorial waters. The rights granted to the possessor nation within the 200-mile area are:

"The right of sovereignty over exploration activities and the right to use and hold natural resources in this area...the said resources may be organic or inorganic, and above or below the seabed. In conjunction with the production of hydraulic energy, the right to conduct scientific research in this zone, build artificial islands and make use of them."

What Do Experts Say

Mehmet Gunlubol, rector of the Middle East Technical University, whom we interviewed, said:

"The institution of the economic zone came out of the latest Law of the Sea Conference. No such concept had existed before. Moreover, even though the USSR has signed the Law of the Sea Treaty, it has not yet been ratified. Turkey is not a signatory. The consent of both sides is necessary to the implementation of such a practice. That is, Moscow cannot undertake such a practice without Ankara's consent. Turkey and the USSR have a continental shelf agreement based on a "median line" drawn through the center of the Black Sea. Prudence requires the designation of economic zones accordingly. The USSR may not go beyond this line. The Black Sea is a semi-enclosed sea. One border state on semi-enclosed seas may not pass beyond the median line. This is the gist of international law and practice."

Former Foreign Minister Hasan Esat Isik pointed out that it has been a long time since Turkey and the USSR had any disagreement. "It is necessary that the matter be studied. However, I do not think there will be any problem on this between the two nations as the matter now stands. It is a problem that can be resolved through mutual consultation."

Ankara Hopeful

Meanwhile, Foreign Ministry officials report that initial contacts have begun through diplomatic channels between Moscow and Ankara on the economic area problem.

Adding that they believe the Soviets will modify their claims in response to Turkey's desires, the proposals it has drawn up and the just causes it propounds, these officials said that it was believed the economic zone problem and the redelineation of the Black Sea would be concluded positively from the standpoint of benefits to both nations through "Ankara-Moscow dialogue" and that a solution was expected that would prevent the reoccurrence of problems in the future.

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